# REPORT

FROM THE

## SELECT COMMITTEE

ON

# COMMERCIAL RELATIONS WITH CHINA;

*TOGETHER WITH THE*

## MINUTES OF EVIDENCE,

APPENDIX, AND INDEX.

*Ordered, by* The House of Commons, *to be Printed,*
12 *July* 1847.

*Martis*, 23° *die Martii*, 1847.

*Ordered*, THAT a Select Committee be appointed to take into consideration the present State of our Commercial Relations with China.

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*Veneris*, 26° *die Martii*, 1847.

Committee nominated—

Viscount Sandon.
Mr. Francis Baring.
Mr. Beckett.
Dr. Bowring.
Mr. Brown.
Mr. Cardwell.
Mr. Ewart.
Mr. Harcourt.
Mr. Hawes.
Viscount Jocelyn.
Mr. Matheson.
Mr. Moffatt.
Mr. John Abel Smith.
Mr. Spooner.
Sir George Staunton.

*Ordered*, THAT the Committee have power to send for Persons, Papers, and Records.

*Ordered*, THAT Five be the Quorum of the said Committee.

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*Lunæ*, 12° *die Julii*, 1847.

*Ordered*, That the Committee have power to Report the Minutes of Evidence taken before them to The House.

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REPORT - - - - - - - - - - - - - p. iii
PROCEEDINGS OF COMMITTEE - - - - - - - - p. xi
EXPENSES OF WITNESSES - - - - - - - - - p. xvi
MINUTES OF EVIDENCE - - - - - - - - - - p. 1
APPENDIX - - - - - - - - - - - - - p. 373
INDEX - - - - - - - - - - - - - - p. 529

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# REPORT.

THE SELECT COMMITTEE appointed to take into consideration the present STATE OF OUR COMMERCIAL RELATIONS WITH CHINA, who were empowered to send for Persons, Papers, and Records, and to whom several Petitions praying for Relief were referred, and who were empowered to Report the Minutes of the Evidence taken before them to The House;——HAVE considered the Matters to them referred, and have agreed to the following REPORT:—

IN reporting on the condition of our Commercial Relations with China, Your Committee regret to state, on undoubted evidence, that the trade with that country has been for some time in a very unsatisfactory position, and that the result of our extended intercourse has by no means realized the just expectations which had been naturally founded on a freer access to so magnificent a market.

Whether we look to the Tables of Exports, which mark a declension of exports in nearly every branch of manufacture, or listen to the statements of experienced merchants and manufacturers, we are brought to the same conclusion.

We find the exports of Cotton Manufactures decline between the years 1845-46 from 1,735,141 *l.* to 1,246,518 *l.* in value; those of Woollens, in the same period, from 539,223 *l.* to 439,668 *l.* *

We find that on a great proportion of the trade for the same years, the loss, taken both ways, *i. e.* that on the Manufactures sent out and on the Tea brought home in payment, may be fairly stated at from 35 to 40 per cent.; so great indeed that some manufacturers have abandoned the trade altogether, and that much of the Tea lately sent home has been sent on Chinese account, the English merchant declining to run the risk of the venture.

We find that the difficulties of the trade do not arise from any want of demand in China for articles of British manufacture, or from the increasing competition of other nations. There is no evidence that foreign competition is to be seriously apprehended in the articles of general demand. The sole difficulty is in providing a return.

Stripping

* The Exports to China since 1843 have been as follows:—

| | 1843. | 1844. | 1845. | 1846. |
|---|---|---|---|---|
| | £. | £. | £. | £. |
| Cottons | 871,939 | 1,575,647 | 1,735,141 | 1,246,518 |
| Woollens | 417,815 | 565,428 | 539,223 | 439,668 |
| All other articles | 166,426 | 164,542 | 120,463 | |
| £. | 1,456,180 | 2,305,617 | 2,394,827 | |

Stripping the question of minor details, which may fairly be left out, as not affecting the general results, and setting aside the junk or native trade, which, though considerable, does not assist in the general adjustment of foreign accounts, the trade of China may be thus shortly described. The bulk of its transactions are with England, British India, and the United States.

The recognised Imports into China, of which we have any account, were, in 1845, as follows:

| | | |
|---|---|---|
| From all countries - - - - - | | 20,390,784 dollars. |
| In English ships - - | 16,073,682 | |
| In American ships - - | 2,909,669 | |
| | | 18,983,351 |
| Leaving for all other countries a value of | | 1,413,433 dollars only. |

To this may be added 23,000,000 dollars, the estimated value of 38,000 chests of Opium, all brought on British or American account, and from British India, making the whole Imports into China 43,390,784 dollars = at 4 *s.* 4 *d.*, to about 9,401,336 *l.*

The Export from China, to all countries, for the same year, was 36,931,000 dollars = 8,001,926 *l.*, of which

| | |
|---|---|
| For England and British India - - - - - - | 26,697,391 |
| For the United States - - - - - - - | 8,261,702 |
| | 34,959,093 |

Thus leaving for the exports to all other countries no more than 1,972,875 dollars in value.

The returns for the year 1846 are not yet completed; but as far as they go, they indicate the same result.

From England, China buys largely of Manufactured Goods. From the United States the same articles to the extent of 170,000 *l.* From British India, Opium and Cotton wool to a very large amount.

This import reaching, as will have been seen above, a value of nearly nine millions and a half, has to be paid for, with slight exceptions, by Tea, Silk, and Silver, though Sugar, and Chinese Grass, as a substitute for Hemp, may possibly be hereafter of some importance.

The payment for Opium, from the inordinate desire for it which prevails, and from the unrecognized nature of the transaction, which requires a prompt settlement of accounts, absorbs the Silver, to the great inconvenience of the general traffic of the Chinese *; and Tea and Silk must in fact pay the rest.

Of these England and the United States are nearly the sole consumers; and thus it happens, that the advantages which were so naturally expected from commercial access to a civilized empire of above three hundred millions of people, are practically limited by the extent to which these countries are willing or able to consume these two products of the soil of China.

The balance of trade will no doubt adjust itself sooner or later, in accordance with the severe lessons of loss and disappointment which the last three years have taught; but unless we can look forward to an increased consumption of those products in which alone China has the means of paying, this adjustment can only be made at the cost of largely diminished exports, and of restricted employment to every branch of industry connected with them.

The export of Silk from China is steadily on the increase; and as it labours under no heavy taxation on its entrance either into the United States or Great Britain, and as the access now opened to the port of Shanghae has brought us into closer contact with the districts most productive of it, there is every reason to hope

* Mr. M'Gregor, British Consul at Canton, estimates the sum to be annually drawn from China in specie, to pay for opium, at nearly 2,000,000 *l.*

hope that it will grow with the growing wealth and luxury of nations, and progressively become an element of greater importance amongst the means of payment*.

This, however, from the nature of the article, is a slow operation, and we must look to Tea mainly, and to an increased consumption of Tea, for the means of maintaining, still more of extending, a profitable trade with those vast regions. For such an extended consumption, unless we are content to wait for the slow progress of an increase dependent solely on the increasing numbers of our population, we can only look to some considerable reduction of the price; and for such reduction, now that competition since the abolition of the monopoly of the East India Company has had its full effect, and that new sources of supply have for some time been opened, we can only look to a reduction of the Duty. On a first cost, ranging on the qualities in most general demand, from 8*d.* to 10*d.* in the ports of China, if any reduction can be effected, it might be of advantage to the merchant, but would have no important effect upon the selling prices in England. It is only through the Duty, a Duty on the average qualities of about 200 per cent., and on the worst qualities, of above 350 per cent., that any such reduction to the consumer can be effected, as to stimulate consumption in any sensible degree; and such a reduction thus becomes essential to a healthy and an extended trade.

That it is also desirable in itself, as promoting the increased consumption of a beverage wholesome and agreeable to every class of our population, and one which is increasingly desired as a substitute for intoxicating liquors; and that it would be no more than is due to the Chinese, who tax our products so lightly†, while we burthen theirs so heavily, and with such inconvenience to their trade, Your Committee conceive to be equally clear. In fact the sole difficulty exists in the effect which any material reduction,—and none other would be of much value,—may be expected to have upon the resources of the Exchequer.

The Revenue derived from Tea in the last year amounted to 5,110,897 *l.*‡, and although this amount of Revenue cannot be permanently relied on, being founded on a consumption which has been carried to that extent by prices not remunerating to the importers, and which are therefore not likely to be continued, yet it is no doubt so important an element in the income of the country, that under present circumstances it cannot be lightly dealt with.

Upon this point The House itself only can determine. At the same time, although Your Committee will not pretend to affirm that no loss to the Revenue would be the consequence, or to calculate nicely the probable results of any particular reduction, they cannot forbear from stating the reasons which induce them to think that though the loss might possibly for a time be considerable, it would not be long continued.

In the first place, Tea is an article, the taste for which is widely spread and growing among all classes; although the consumption has evidently been checked, in comparison with the similar articles of Coffee and Cocoa, by the want of that favour in the shape of reduction in Duty and consequently in price to the consumer, of which they have been the object. Indeed, while the duty on them has been reduced

* The export of Silk from China to England in 1846 reached a value of 1,211,249 *l.* *See* Returns for Trade, 1846, pp. 8–48.

† The highest duty imposed by the Chinese is 10 per cent., and the average is from 5 to 7 per cent.

‡

| — | Average Price of Tea. | Delivered for Home Consumption. | Cost. | Duty. |
|---|---|---|---|---|
| | *s.* *d.* | *Lbs.* | *£.* *s.* *d.* | *£.* *s.* *d.* |
| In 1814-15 - - | 3 8½ | 19,224,154 | 3,570,892 11 11 | 3,428,236 8 4 |
| 1831-32 - - | 2 2⅝ | 31,548,409 | 3,509,834 13 7 | 3,509,834 13 7 |
| 1846 - - | 1 4 | 46,728,208 | 3,115,213 17 4 | 5,110,897 15 – |

reduced respectively, since 1821, from 1 *s.* to 4 *d.* per lb., and from 1 *s.* to 2 *d.* per lb., the Duty on Tea has been enhanced; but although the effect of this different treatment of articles so similar in their nature may be seen in the different rates of increase which have taken place since 1821, the consumption of Coffee having increased since that time by 500 per cent. and that of Cocoa by above 1,000 per cent., while the increase in that of Tea in the same period has been only 130 per cent., yet even that proportion, amounting to a positive increase of 24,000,000 lbs., due only to the effect of a more open trade, fully bears out the general proposition *.

That the consumption of Tea has not yet received its full development, is further clear, if we consider the larger proportion of Tea consumed in other populations of similar tastes with those of the British Islands. In these the consumption is no more than 1 lb. 10 oz. per head; whereas it appears that in the Isle of Man it is 2 lbs. 10 oz., in Jersey and Guernsey, 4 lbs. 4 oz., and in Newfoundland and Australia a very considerably larger proportion.

It will be said, however, that any reduction in Duty would only have the effect, by throwing a larger demand on the markets in China, of increasing the price to the English merchant; and that consequently the benefit of such reduction would rather go to the Chinese grower or merchant, than to the English consumer. This would undoubtedly be the case to a considerable extent, if the market of supply were limited, or difficult to be extended; but Your Committee are bound to state that they

* Consumption of Coffee.

| | Lbs. | Duty. | Average Consumption per Head. |
|---|---|---|---|
| | | *s. d.* | *Lbs. oz.* |
| 1801 | 750,861 | 1 6 p' lb. | 0 1·09 |
| 1811 | 6,390,122 | – 7 „ | 0 8·12 |
| 1821 | 7,327,283 | 1 – „ | 0 8·01 |
| 1831 | 21,842,264 | – 6 „ | 1 5·49 |
| 1841 | 27,298,322 | – 6 „ | 1 7·55 |
| 1842 | 28,519,646 | – 4 „ | 1 8 |
| 1843 | 29,979,404 | – 4 „ | 1 9 |
| 1844 | 31,352,382 | – 4 „ | 1 10 |
| 1845 | 34,318,095 | – 4 „ | 1 12 |
| 1846 | 36,781,391 | – 4 „ | 1 13 $\frac{3}{4}$ |

Consumption of Cocoa.

| | Lbs. | Duty. | | Lbs. | Duty. |
|---|---|---|---|---|---|
| | | *s. d.* | | | *s. d.* |
| 1820 | 276,321 | 1 – p' lb. | 1832 | 1,150,193 | – 2 p' lb. |
| 1825 | 247,251 | – 6 „ | 1844 | 2,590,528 | – 2 „ |
| 1830 | 425,382 | – 6 „ | 1846 | 2,962,327 | – 2 „ |

Consumption of Tea.

| | Lbs. | Duty. | Consumption per Head. |
|---|---|---|---|
| | | | *Lb. oz.* |
| 1801 | 20,237,753 | 20 per cent. under 2 *s.* 6 *d.* p' lb.<br>50 per cent. above 2 *s.* 6 *d.* p' lb. | 1 3 $\frac{3}{4}$ |
| 1811 | 20,702,809 | 96 per cent. | 1 1 $\frac{1}{10}$ |
| 1821 | 22,892,913 | 96 and 100 per cent. | 1 0 $\frac{1}{2}$ |
| 1831 | 29,997,101 | ditto | 1 4 |
| 1841 | 36,675,667 | 2 *s.* 1 *d.* per lb. | 1 6 |
| 1846 | 46,728,208 | 2 *s.* 2 $\frac{1}{4}$ *d.* per lb. | 1 10 |

The consumption per head of coffee is taken on the population of Great Britain only; that of tea on the population of the United Kingdom.

they have no apprehension that this will be found to be the case with regard to Tea. Although it is a point on which, from the limited acquaintance which we possess with the interior of China, it is impossible to produce distinct information, yet we know that the demand for Tea from China has been progressively and rapidly rising for many years, with no other result than that of diminished prices; and that there is a population there, commonly assumed at above three hundred millions, at all hours of the day consuming Tea, which only requires some change of preparation to be fit for exportation; thus implying an amount of supply, on which any demand that may be made for foreign export, can be after a very short time but slightly felt. We know also that the market has never been drained of Tea in any one year; but that there has been always a surplus left to meet any extraordinary demand. We have also every reason to believe, from the Evidence before us, that the cultivation of the Plant may be indefinitely extended.

We have, moreover, the general experience in all articles, the supply of which is not limited by physical or other causes (such as Cotton, &c.), that an increased demand, by stimulating the industry or the enterprize of the parties interested, has the no very distant effect of producing a larger supply at a lower price, instead of permanently raising it.

If, on the other hand, it should be said, that to convert that into a profitable which has hitherto been an unprofitable trade, it is necessary that some part of the reduction should go to the benefit of the merchant, in increase of price; the answer is, that the mere interest on the Duty, if reduced from 2*s.* 2½*d.* to 1*s.*, would of itself be enough to make the whole difference between a losing and a living trade, and the whole benefit of the reduction would still be left to the consumer.

Under these circumstances, Your Committee have little doubt that the full effect of any reduction of Duty would very shortly, if not immediately, be felt in the selling price, and thus, in no long interval of time, any defalcation which might at first appear, would be repaired by increased consumption.

It must also be remembered that the increased consumption of Sugar consequent on any large increase in that of Tea, would assist in repairing the loss.

For these reasons Your Committee think themselves warranted in recommending to The House a considerable reduction in the Duty on Tea at the earliest period which in its wisdom it may see fit, as most desirable in itself with a view to the comforts and the social habits of the people, as involving but a temporary loss to the Revenue, and as essential to the extension of our trade with China, nay, even to its maintenance at the point which it has already reached *.

The question of the form of the Duty has been raised by various Witnesses; and by one or two it has been proposed to return either to an *ad valorem* Duty, as in the time of the East India Company, or to a rated Duty, varying with the different qualities of Tea, on the principle of that which was attempted for the first 18 months after the opening of the trade.

But the fiscal and commercial convenience of a single fixed Duty, together with its proved tendency to draw a better quality into consumption, overbear in this case,

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* The British Consul at Canton, in his despatch dated 15th February 1847, says, "How long the Chinese will be able to sustain this continual drain (*i.e.* of 2,000,000*l.*) of the precious metals is impossible to determine; but the fact being now well established that the export of tea to England cannot be increased under the present system of duties, it is not difficult to foresee, that unless a new opening be found for a larger consumption of China exports in our markets, a gradual reduction must take place, either in the quantity or the prices of our imports in China, until they come to a proper level. On the other hand, it is beyond calculation to what extent the Chinese would purchase our woollens and our cottons, were we enabled to take their produce in return, especially after having attained the legalization of the opium trade."

He further states, and is confirmed by Sir J. Davis in the statement, that "it must be borne in mind that the import trade is regulated by and depends wholly on the export trade, and that therefore only an increase of exports can cause a corresponding increase in imports. The China trade being essentially a direct barter trade, it is obvious that unless means can be found to take from the Chinese a larger amount of their principal export, tea, there seems to be but a limited prospect of deriving for the British manufacturing interests all those advantages which the new position we hold in the country consequent on the late war must lead them to expect."

case, as in many other similar cases of taxation, the apparent equity of attempting to proportion the Duty to the quality of the article consumed.

In regard to other points connected with our Commercial Relations with China, Your Committee have not much to suggest. The provisions of the Treaties negotiated by Sir H. Pottinger appear to have been honestly carried out, by the Chinese authorities, except at Canton; and even there the difficulties which have been experienced seem to have arisen more from the turbulent character and hostile disposition of the populace and the weakness of a remote government, than from any ill-will or want of good faith on the part of the ruling powers. Indeed any other supposition would be totally inconsistent with the conciliatory course of policy pursued in the other ports, and more especially with the character of that distinguished statesman, Keying, who presides over the Government of Canton, and who has on all occasions shown himself not less the friend of peaceful intercourse than the enlightened supporter of his country's interests.

The port of Shanghae being immediately adjacent to the richest districts of the Chinese empire, and especially to those which produce the principal articles of export, promises to become a formidable rival to Canton, and will inevitably draw from it a considerable portion of its traffic. It already furnishes 16,000 out of the 20,000 bales of Silk, and 10,000,000 out of the 57,000,000 pounds of Tea which China last year appears to have furnished to British markets *.

The next in importance is Amoy, which purchases to the extent of nearly half a million sterling of Opium and British Manufactures, but as yet furnishes little produce in return.

With regard to Ningpo and Foochowfoo, the trade has hitherto proved but trifling; but the period which has elapsed since they have been opened has been too short, and the attractions of the greater ports have been hitherto too powerful, to enable us to pronounce that towns so considerable, connected with provinces so populous, will not hereafter become important seats of British Commerce.

*See* p. 20, Returns of Trade.

The Opium Trade, however, already flourishes at Foochowfoo with its usual demoralizing influences on the population, and embarrassing effects upon the monetary condition of the place. The latter would be diminished by the legalization of the traffic; the former, we are afraid, are incontestable, and inseparable from its existence.

Into this question, however, complicated as it is with considerations beyond the purview of its inquiries, Your Committee forbear to enter further.

The difficulties attendant on the navigation of the China Seas generally seem to have been much mitigated by further acquaintance with them, and by the careful and scientific surveys which have been carried on by Captain Collinson and other officers; but further security would be given to the approaches to Shanghae and Foochowfoo by the establishment of a few beacons, buoys, and moorings, at a moderate cost, but of great advantage to the navigation. These surveys have been already of great service to commerce, even in a pecuniary point of view, and we would recommend that they should be continued.

A regular Post-office communication by Steam-boats from Hong Kong, both to Canton and to the northern ports, would add much to the security and activity of our commerce.

From Hong Kong we cannot be said to have derived directly much commercial advantage, nor indeed does it seem to be likely, by its position, to become the seat of an extended commerce. It has no considerable population of its own to feed or clothe, and has no right to expect to draw away the established trade of the populous town and province of Canton, to which it is adjacent. From the only traffic for which it is fitted, that of a depôt for the neighbouring coasts, it is in a great degree debarred, except in regard to the Five Ports, by Treaties, which stipulate

* Sir J. Davis, in his despatch of the 24th February 1847, states, that in his opinion, "Shanghae must be expected to attract to itself, in due time, the larger portion of the British trade, it seeming to be impossible that Teas should long continue to bear the heavy charge of transport to Canton from the north, when they can be delivered to us so near to the place of production."

stipulate distinctly for the observance of this restriction. In addition, however, to these natural and necessary disadvantages, it appears to have laboured under others, created by a system of monopolies and farms, and petty regulations, peculiarly unsuited to its position, and prejudicial to its progress. These seem to have arisen partly from an attempt to struggle with the difficulties in the way of establishing order and security in the midst of the vagabond and piratical population which frequent its waters and infest its coasts; and partly from a desire to raise a revenue in the island in some degree adequate to the maintenance of its Civil Government. To this latter object, however, we think it unwise to sacrifice the real interests of the Settlement, which can only prosper under the greatest amount of freedom of intercourse and traffic which is consistent with the engagements of Treaties and internal order: nor do we think it right that the burden of maintaining that which is rather a post for general influence and the protection of the general trade in the China Seas than a colony in the ordinary sense, should be thrown in any great degree on the merchants or other persons who may be resident upon it.

To the revision of the whole system we would call the early attention of the Government, as well as to that of the Establishment of the Settlement, which, we cannot but think, has been placed on a footing of needless expense.

Inconvenience appears to arise also from the dependence of the Governor on two Departments of administration at home. As Governor of a Colony, he is responsible to the Colonial Office; as in a manner representative of the Crown to a Foreign Court and Superintendent of Trade, to the Foreign Office. It would be well if this relation could be simplified.

We would also recommend that some short Code should be drawn up for the more convenient administration of justice, as a substitute for that general reference to the Laws of England, "as far as they are applicable to the case," which in this, as in some other Colonies, is the sole rule of guidance, and creates much confusion and embarrassment. That drafts of all new laws and regulations, unless of an urgent nature, should, as in India, be published for three or six months before they are finally enacted. That a share in the administration of the ordinary and local affairs of the Island should be given, by some system of municipal government, to the British residents.

A good Court of Review for the decisions of the Consular Courts should be established, so constituted as to ensure general confidence in its decisions; and in such case the jurisdiction of the Consuls over civil suits might be extended beyond 500 dollars, the present limit, so as more effectually to secure justice to the Chinese in their transactions with British subjects. Facilities should also be given in Hong Kong for the acquisition of the Chinese language and encouragement to schools for the Chinese; and the study of the Chinese language should be encouraged in the Consular officers, whose efficiency in every respect is of the highest importance, especially in the present stage of our commercial intercourse with the country.

The attention of these officers should be vigilantly directed to the question of Transit Duties on the internal communications of China, by which the effect of low duties at the ports of entry might be effectually defeated. On this head, however, there is not as yet much ground of complaint.

A Petition was referred to Your Committee, emanating from a highly respectable body of merchants resident at Hong Kong, complaining, among other things, of the mode in which the Land Sales had been conducted, and that good faith had not been kept in conveying to purchasers no more than a limited tenure of seventy-five years, in lieu of the more permanent interest which they allege to have been held out. It certainly appears that the assurances, however vague, under which some of the early settlers made purchases and entered into engagements, and expended money, may easily have led to this expectation; and we are therefore not surprised at the disappointment. No charge, however, has been sustained against the public officers engaged in the transactions, who appear to have acted in good faith throughout.

The same Petition complains of a want of vigour on the part of the Governor of Hong Kong in protecting the interests of British subjects in their intercourse with

the Chinese; but on this subject, as we have only partial information, we forbear expressing an opinion.

We feel ourselves, however, warranted by the Papers and Evidence before us, as well as by general considerations, in reminding our fellow countrymen residing in foreign countries, that while they are entitled to expect that the whole force and influence of their country should be put forth for their protection, when injured in property or person; yet that the interests of Commerce are best consulted by studying a conciliatory demeanor, and cultivating the good-will of the nations with which they traffic.

By keeping these considerations constantly in view, by combining firmness in maintaining our own rights with a studious respect for the feelings and rights of others, we hope that the newly-opened intercourse with this remarkable empire may be further extended from time to time; and that the jealousies by which it has been so long limited and confined, may, in spite of temporary misunderstandings, which are the natural result of recent differences and ancient prejudices, give way ere long to a cordial confidence, founded on a sense of mutual benefits and mutual respect.

12 *July* 1847.

## PROCEEDINGS OF COMMITTEE.

### *Martis*, 30° *die Martii*, 1847.

Members Present:

| | |
|---|---|
| Dr. Bowring. | Mr. Hawes. |
| Mr. Beckett. | Mr. Ewart. |
| Mr. Spooner. | Mr. Moffatt. |
| Mr. Cardwell. | Lord Jocelyn. |
| Lord Sandon. | Mr. Matheson. |

Lord SANDON, called to the Chair.

The Committee deliberated as to the course of their future proceedings.

*Resolved*, That the Committee do meet on Tuesdays and Thursdays, at Twelve o'clock.

[Adjourned till Tuesday, 13th of April, at Two o'clock.

### *Martis*, 13° *die Aprilis*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Spooner. | Mr. Ewart. |
| Dr. Bowring. | Sir George Staunton. |
| Lord Jocelyn. | Mr. J. A. Smith. |
| Mr. Brown. | Mr. Vernon Harcourt. |
| Mr. F. Baring. | Mr. Moffatt. |

Committee deliberated as to future proceedings, and

[Adjourned to Thursday, at Twelve o'clock.

### *Jovis*, 15° *die Aprilis*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Brown. | Dr. Bowring. |
| Mr. Spooner. | Mr. Beckett. |
| Mr. Cardwell. | Lord Jocelyn. |
| Mr. Moffatt. | Mr. Matheson. |
| Mr. Ewart. | Mr. F. Baring. |
| Mr. Harcourt. | Mr. J. A. Smith. |
| Sir George Staunton. | |

Sir *G. G. de Hochpied Larpent*, called in; and Examined.

Mr. *Gregson* Examined.

Sir *G. Larpent* Re-examined.

Mr. *William Norton*, called in; and Examined.

Mr. *Gregson* Re-examined.

The Witness withdrew.

[Adjourned to Tuesday, 20th April, at Twelve o'clock.

*Martis, 20° die Aprilis*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Beckett. | Mr. Matheson. |
| Mr. Brown. | Mr. Moffatt. |
| Mr. Spooner. | Lord Jocelyn. |
| Mr. Ewart. | Dr. Bowring. |
| Mr. F. Baring. | Mr. Hawes. |
| Mr. Cardwell. | Mr. J. A. Smith. |
| Sir G. Staunton. | Mr. Harcourt. |

Mr. *W. Norton* further Examined.

Mr. *Nichol*, called in; and Examined.

Mr. *Walter Buchanan*, called in; and Examined.

Petition from merchants in China for protection, read.

[Adjourned to Thursday, 22d April, at Twelve o'clock.

*Jovis, 22° die Aprilis*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Brown. | Sir G. Staunton. |
| Mr. Moffatt. | Mr. Matheson. |
| Mr. F. Baring. | Lord Jocelyn. |
| Mr. Beckett. | Mr. Harcourt. |
| Dr. Bowring. | Mr. J. A. Smith. |
| Mr. Ewart. | Mr. Hawes. |

Mr. *Gibb*, called in; and Examined.

Mr. *Bazeley*, called in; and Examined.

Mr. *Farbridge*, called in; and Examined.

Mr. *Gardner*, called in; and Examined.

[Adjourned to Tuesday, 27th April, at Twelve o'clock.

*Martis, 27° die Aprilis*, 1847.

Members Present:

| | |
|---|---|
| Lord Sandon. | Mr. Moffatt. |
| Mr. Ewart. | Sir G. Staunton |
| Mr. Spooner. | Lord Jocelyn. |
| Mr. Beckett. | Dr. Bowring. |
| Mr. Matheson. | Mr. Harcourt. |

*Resolved*, That Mr. *Ewart* do take the Chair.

Mr. *William Scott*, called in; and Examined.

Mr. *C. Turner*, called in; and Examined.

Mr. *Moffatt*, a Member of the Committee, Examined.

Mr. *A. Wilkinson*, called in; and Examined.

Mr. *Thomas White*, called in; and Examined.

Mr. *William Law*, called in; and Examined.

[Adjourned to Thursday the 29th April, at Twelve o'clock.

*Jovis, 29° die Aprilis,* 1847.

Members Present:

Mr. EWART, in the Chair.

| | |
|---|---|
| Dr. Bowring. | Mr. J. A. Smith. |
| Mr. Matheson. | Lord Jocelyn. |
| Sir G. Staunton. | Mr. Cardwell. |
| Mr. Spooner. | Mr. Moffatt. |
| Mr. Hawes. | Mr. Harcourt. |

Mr. *Robberds,* called in; and Examined. Witness withdrew.

Mr. *Broderip,* called in; and Examined. Witness withdrew.

Papers delivered in.

Room cleared, and the Committee deliberated as to allowance of Witnesses' expenses.

Witness further Examined.

Mr. *Gibb* Re-examined.

Mr. *Rawson,* called in; and Examined.

[Adjourned to Tuesday next, at Twelve o'clock.

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*Martis,* 4° *die Maii,* 1847.

Members Present:

Mr. EWART, in the Chair.

| | |
|---|---|
| Lord Sandon. | Mr. Brown. |
| Mr. J. A. Smith. | Sir G. Staunton. |
| Mr. Spooner. | Mr. Moffatt. |
| Lord Jocelyn. | Mr. Harcourt. |
| Dr. Bowring. | Mr. Hawes. |
| Mr. Matheson. | Mr. Parker. |

Mr. *Gott,* called in; and Examined.

Mr. *A. Matheson,* called in; and Examined.

Mr. *Hawes* was called to the Chair, in the absence of Mr. *Ewart.*

Examination continued.

[Adjourned to Thursday next, at Twelve o'clock.

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*Jovis,* 6° *die Maii,* 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Ewart. | Mr. Parker. |
| Mr. Spooner. | Lord Jocelyn. |
| Sir George Staunton. | Mr. Brown. |
| Mr. Matheson. | Mr. Harcourt. |
| Mr. Hawes. | Dr. Bowring. |

Mr. *Matheson,* called in; and Examined.

Mr. *Crawfurd,* called in; and Examined.

Mr. *Silverlock,* called in; and Examined.

Examination continued.

[Adjourned to Tuesday next, at Twelve o'clock.

*Martis*, 11° *die Maii*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Ewart. | Lord Jocelyn. |
| Mr. Spooner. | Mr. Moffatt. |
| Sir George Staunton. | Dr. Bowring. |
| Mr. Hawes. | Mr. J. A. Smith. |
| Mr. Matheson. | Mr. Parker. |

Mr. *Crawfurd*, called in; and further Examined.
Mr. *Scott* delivered in a Paper.
Mr. *Smith*, called in; and Examined.
Mr. *Winch*, called in; and Examined.
Mr. *Garnett*, called in; and Examined.
Mr. *Matheson*, a Member of the Committee, Examined.

[Adjourned to Thursday, at Twelve o'clock.

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*Jovis*, 13° *die Maii*, 1847.

Members Present:

Mr. EWART, in the Chair.

| | |
|---|---|
| Mr. Moffatt. | Lord Sandon. |
| Mr. Hawes. | Lord Jocelyn. |
| Mr. Parker. | Mr. J. A. Smith. |
| Sir G. Staunton. | Mr. Harcourt. |

Mr. *Gordon*, called in; and Examined.
Mr. *Gibb*, called in; and Examined.
Mr. *Stewart*, called in; and Examined.
Mr. *Crawfurd Kerr*, called in; and Examined.
Mr. *Moffatt*, a Member of the Committee, Examined.
Mr. *S. Rawson*, called in; and Examined.
Dr. *Sigmond*, called in; and Examined.

[Adjourned to Tuesday next, at Twelve o'clock.

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*Martis*, 18° *die Maii*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Mr. Ewart. | Sir G. Staunton. |
| Dr. Bowring. | Mr. Harcourt. |
| Mr. Hawes. | Lord Jocelyn. |

Dr. *Bowring*, a Member of the Committee, Examined.
Mr. *Beggs*, called in; and Examined.
Mr. *Garnett*, called in; and further Examined.
Mr. *Scott*, called in; and further Examined.
Mr. *Gordon*, called in; and further Examined.
Mr. *A. Matheson*, called in; and Examined.
Room cleared.
Committee deliberated.
Strangers re-admitted.
Mr. *Montgomery Martin*, called in; and Examined, and delivered in a Paper.

[Adjourned to Thursday next, at Twelve o'clock.

*Jovis*, 20° *die Maii*, 1847.

Members Present:

Mr. EWART, in the Chair.

| | |
|---|---|
| Mr. Spooner. | Mr. Brown. |
| Mr. Hawes. | Mr. Parker. |
| Dr. Bowring. | Lord Jocelyn. |
| Sir G. Staunton. | |

Mr. *S. Marling*, called in; and Examined.
Mr. *T. Christie*, called in; and Examined.
Mr. *R. Fortune*, called in; and Examined.
Mr. *Crawfurd Kerr*, called in; and Examined.
Mr. *George Wilson*, called in; and Examined.

[Adjourned to Tuesday, the 1st of June.

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*Martis*, 1° *die Junii*, 1847.

Members Present:

Mr. EWART, in the Chair.

| | |
|---|---|
| Sir G. Staunton. | Mr. Moffatt. |
| Mr. Cardwell. | Mr. Spooner. |
| Mr. Harcourt. | Dr. Bowring. |
| Lord Sandon. | Lord Jocelyn. |
| Mr. Parker. | |

Mr. *H. Reid*, called in; and Examined.
Captain *Balfour*, called in; and Examined.
Witness delivered in Papers.
Mr. *Matheson*, called in; and Examined.
Colonel *Malcolm*, called in; and Examined.
Petition of *Joseph Henry*, complaining of grievances, and praying for inquiry, presented 31st May, read.
Examination continued.
Witness delivered in a Paper.

[Adjourned to Thursday, at Twelve o'clock.

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*Jovis*, 3° *die Junii*, 1847.

Members Present:

Mr. HARCOURT, in the Chair.

| | |
|---|---|
| Sir G. Staunton. | Lord Sandon. |
| Dr. Bowring. | Mr. Brown. |
| Mr. Moffatt. | Mr. Parker. |
| Mr. Cardwell. | Mr. Spooner. |

Mr. *Prideaux*, called in; and Examined.
Mr. *Brown*, a Member of the Committee, Examined, and delivered in Papers.
Petition from China, presented 19th April, to be Printed.
Mr. *Braine*, called in; and Examined.
Captain *Balfour*, called in; and further Examined.

[Adjourned.

*Lunæ, 12° die Julii*, 1847.

Members Present:

Lord SANDON, in the Chair.

| | |
|---|---|
| Sir G. Staunton. | Mr. Spooner. |
| Mr. Parker. | Lord Jocelyn. |
| Mr. Brown. | Mr. Ewart. |
| Mr. Harcourt. | |

Mr. *Brown*, a Member of the Committee, Examined.

The Chairman submitted to the Committee draft of a Report.

Draft Report read first time.

The Report was read a second time, paragraph by paragraph, and agreed to.

Ordered to Report to The House.

## EXPENSES OF WITNESSES.

| NAME. | Number of Days in Attendance. | Amount Allowed. | Travelling Expenses. | Amount Paid. |
|---|---|---|---|---|
| | | £. s. d. | £. s. d. | £. s. d. |
| Mr. Bazeley - - - - | 2 | 2 2 – | 4 15 – | 6 17 – |
| Mr. Robberds - - - - | 3 | 3 3 – | 5 – – | 8 3 – |
| Mr. R. Farbridge - - - | 2 | 2 2 – | 4 15 – | 6 17 – |
| Mr. C. Turner - - - - | 2 | 2 2 – | 4 10 – | 6 12 – |
| Dr. Sigmond - - - - | 4 | 8 8 – | 1 – – | 9 8 – |
| Mr. Gordon, C. E. - - - | 18 | 37 16 – | 14 – – | 51 16 – |
| | | | TOTAL - - - £. | 89 13 – |

# MINUTES OF EVIDENCE.

# LIST OF WITNESSES.


*Jovis*, 15° *die Aprilis*, 1847.

Sir G. G. de Hochepied Larpent, Bart., p. 1
Samuel Gregson, Esq. - - - p. 16
William Norton, Esq. - - - p. 25

*Martis*, 20° *die Aprilis*, 1847.

William Norton, Esq. - - - p. 28
William Nicol, Esq. - - - p. 46
Walter Buchanan, Esq. - - p. 54

*Jovis*, 22° *die Aprilis*, 1847.

Thomas Augustus Gibb, Esq. - p. 58
Thomas Bazley, Esq. - - - p. 77
Robert James Farbridge, Esq. - p. 79
Robert Gardner, Esq. - - - p. 87

*Martis*, 27° *die Aprilis*, 1847.

Charles Turner, Esq. - - - p. 89
George Moffatt, Esq. - - - p. 92
Alfred Wilkinson, Esq. - - p. 104
Mr. Thomas White - - - p. 113
Mr. William Law - - - p. 117
William Scott, Esq. - - - p. 121

*Jovis*, 29° *die Aprilis*, 1847.

Mr. John Warden Robberds - p. 122
Edward Brodribb, Esq. - - p. 130
Thomas Augustus Gibb, Esq. - p. 141
Christopher Rawson, Esq. - - p. 144

*Martis*, 4° *die Maii*, 1847.

John Gott, Esq. - - - - p. 154
Alexander Matheson, Esq. - - p. 158

*Jovis*, 6° *die Maii*, 1847.

John Crawfurd, Esq. - - - p. 182
Mr. John Silverlock - - - p. 196
Alexander Matheson, Esq. - - p. 203

*Martis*, 11° *die Maii*, 1847.

John Crawfurd, Esq. - - - p. 208
The Rev. George Smith, M. A. - p. 210
Henry Winch, Esq. - - - p. 221
Jeremiah Garnett, Esq. - - p. 235
James Matheson, Esq. M. P. - - p. 236

*Jovis*, 13° *die Maii*, 1847.

Mr. Alex. Thos. Gordon, p. 239. 249. & 254
Thomas Augustus Gibb, Esq. - p. 243
Mr. Charles Edward Stewart - p. 249
Mr. Crawford Kerr - - p. 253 & 255
Robert Moffatt, Esq. - - - p. 256
Mr. Samuel Rawson - - - p. 260
George Gabriel Sigmond, M. D. - p. 266

*Martis*, 18° *die Maii*, 1847.

John Bowring, Esq., L. L. D., M. P., p. 270
Mr. Thomas Beggs - - - p. 271
Jeremiah Gurnett, Esq. - - p. 274
William Scott, Esq. - - - p. 275
Mr. Alexander Thomas Gordon - p. 286
Alexander Matheson, Esq. - - p. 288
Robert Montgomery Martin, Esq., p. 289

*Jovis*, 20° *die Maii*, 1847.

Samuel Marling, Esq. - - - p. 299
Mr. Thomas Christie - - - p. 303
Mr. Robert Fortune - - - p. 305
Mr. Crawford Kerr - - - p. 313
Mr. George Wilson - - - p. 314

*Martis*, 1° *die Junii*, 1847.

Mr. Hugo Reid - - - - p. 316
Captain George Balfour - - p. 319
Alexander Matheson, Esq. - - p. 340
Lieutenant-colonel Malcolm - p. 343

*Jovis*, 3° *die Junii*, 1847.

Mr. Francis William Prideaux - p. 350
William S. Brown, Esq. M. P. - p. 355
George T. Braine, Esq. - - p. 358
Captain George Balfour - - p. 362

*Lunæ*, 12° *die Julii*, 1847.

William Brown, Esq., M. P. - - p. 372

# MINUTES OF EVIDENCE.

*Jovis*, 15° *die Aprilis*, 1847.

MEMBERS PRESENT.

| | |
|---|---|
| Mr. F. Baring. | Viscount Jocelyn. |
| Mr. Beckett. | Mr. Matheson. |
| Dr. Bowring. | Mr. Moffatt. |
| Mr. Brown. | Mr. John Abel Smith. |
| Mr. Cardwell. | Mr. Spooner. |
| Mr. Ewart. | Viscount Sandon. |
| Mr. Harcourt. | Sir George Staunton. |
| Mr. Hawes. | |

LORD VISCOUNT SANDON, IN THE CHAIR.

Sir *George G. de Hochepied Larpent*, Bart. called in; and Examined.

Sir *G.G. de H. Larpent*, Bart.

15 April 1847.

1. *Chairman.*] YOU are Chairman of the East India and China Association in London?—I am.

2. In that capacity, have you had occasion to call the attention of Government to various points connected with our commercial relations with China?—I have, especially with reference to the duties upon tea, in the years 1844, 1845, and 1846, on behalf of the Association. I and the deputy chairman, Mr. Gregson, sent memorials to the First Lord of the Treasury, Sir Robert Peel, and subsequently to Lord John Russell; and I beg to put in those memorials, as statements which we were then authorized to give by the Association, which was then unanimously of the opinion expressed in those memorials. I also, with several other gentlemen, had interviews with the First Lord of the Treasury, both Sir Robert Peel and Lord John Russell, upon the subject of the tea duties.

3. Will you state the outlines of those memorials, adding any points which have subsequently occurred to you?—The grievance of which the China trade complains may be stated in a very few words. The trade was thrown open in the year 1834; the duty was then 96 per cent. on all kinds of teas sold at or under 2*s.* a pound, and 100 per cent. on all teas at or above 2*s.* a pound. A rate of duties was established: on bohea, 1*s.* 6*d.*; on congou, 2*s.*; and on souchong, 3*s.* It will be in the recollection of the Committee, that it was found impossible to work those duties properly; and, in consequence of that, the Legislature, in the year 1836, under the Act of the 5 & 6 Will. 4, adopted one uniform rate, namely, 2*s.* To that 5 per cent. was added, under a subsequent arrangement, to those duties, which brings them now to 2*s.* 2¼*d.* per pound. Now the revenue from tea, from 1829 to 1837, was 3,400,000*l.*; I think from 1837 to about 1841, it was near upon 4,000,000*l.* In the last return I have seen, to the best of my recollection, the revenue is upwards of 5,000,000*l.* There is no doubt that the first cost of the tea was considerably reduced in consequence of the opening of the trade.

4. You mean the first cost to the English merchant?—Yes; that is to say, the taking off the restrictions of the East India Company enabled the private

Sir *G.G. de H. Larpent*, Bart.

15 April 1847.

merchant to buy cheaper than the East India Company did. The consequence of that was that the consumption has increased from, I believe, about 33,000,000 lbs. to the last return I have of 46,728,208 lbs. Now, supposing that quantity of tea cost in China about three millions of money, the duty upon it was five millions, consequently the amount paid to Government was five-eighths of the whole cost, or taking it in the rough (as I did before we had these actual returns), I assume that the whole amount of the export of tea might be taken at nine millions, and that would be divided in the following manner: about two millions would be the cost in China; about two millions and a half would fall to the importer, freight, charges, and everything included, to the consumer; and the Government would get four millions and a half; so that out of nine millions the Government would then get four and a half millions. The consequence of that is, that the consumption has certainly not increased in the proportion in which it might otherwise have been expected to have done, because the price has still kept up. This alteration in the price in China, derived from the reduction of the charges of the East India Company, has so far shown that by a fall in price you can increase the consumption, but still the consumption in this country is very inadeqate to what it might be, because, notwithstanding this fall, and the increase I have mentioned, the consumption at the present moment is not more than 1 lb. 10 oz. per head. We have a very strong case, which has been brought before Parliament in various ways, the case of the Isle of Man, where there has been an alteration in the quantity allowed to be imported by licence, by its being allowed to be unrestricted instead of being confined to 75,000 lbs. weight, and the consequence has been that the consumption in the Isle of Man, with a duty of 1 *s.* per pound, has risen to 2 lbs. 10 oz. per head.

5. Can you state the difference of price which the change of system has produced?—I cannot state the exact price. Another case of importance is with the Channel Islands, where it appears that the consumption is not less than 4 lbs. 4 oz. In Newfoundland, in Australia, and in others of our colonial possessions, where there is either a very small duty, or no duty at all, the consumption is very much larger than the consumption per head in this country. In all private families we are pretty well aware that the consumption is large; great pains has been taken in ascertaining what the consumption is, and it is not less than 13 lbs. per head in private families in this country; and therefore it is to be supposed that, in consequence of this high price of tea, it is in fact an article which cannot be afforded by the great mass of the people. At the same time, when I see in the country, in all small shops, tea sold by the ounce, and when I know that that must stand with the duty at a very high price, besides the additional charges which high duties always create to the consumer, I see that there is a demand for tea throughout the country. And though I believe that there is little or no smuggling, I am of opinion that there is a great deal of adulteration, not in the shops, but adulteration in the domestic pot; that is to say, a small quantity of tea is used, and all sorts of articles are also used to give the satisfaction and pleasure of a drink of that kind, making me satisfied, that if they could get tea itself at a low price, those would be cast aside, and you would have tea drunk at a low price by the great mass of the population of this country. Of course I cannot afford evidence of that, but that is the result of my investigation and consideration of the subject. I have stated these things for the purpose of showing that a great field is still open for the consumption of tea; but it may be argued, that already there has been an increased consumption. Now, I am prepared to contend, that the increased consumption has arisen from lowness of price, which lowness of price has fallen very hardly upon the importer. I must, therefore, advert to the state of the trade previously to the cessation of the East India Company's monopoly. Tea was paid for before by the opium and Indian trade, and partly by arrangements with the American trade, of which some gentlemen on this Committee will probably be able to speak with more correctness than I can; but it is quite notorious, that American credits were the means by which the tea was purchased, which American credits were satisfied by probably exports of cotton from America. But that is the way in which the tea was all paid for, to the very large extent of 34 millions of pounds weight, before the large importation of British manufactures, which was encouraged by the opening of the trade, and after the cessation of hostilities by the advantageous terms of the treaty concluded

concluded by our Government. The consequence is, that there has been a very large export of British manufactures, in addition to the usual means of paying for the tea; and the question is, how that is to be paid for. It seems to me, that there is no doubt that the consequence has been a very great loss upon the recent shipments of manufactured goods, and that if that loss continues, they cannot continue to be exported to the same extent as heretofore. The returns, supposing the export to be from two millions five or six hundred thousand to three millions, show a loss upon them of not less than 15 to 20 per cent.; that is, upon the export of British manufactures to China, as encouraged by the opening of the trade.

6. You are speaking of last year?—I am speaking of last year. There are gentlemen here who will be able to show the Committee, in figures, the losses upon certain consignments, which they can authenticate to the full extent. On the other hand, the trade with China being essentially a barter trade, whatever may be the appearance of the result of the sale of goods when it is taken by barter in tea, the real result depends entirely upon the out-turn of the tea in this country; and the losses upon the tea in this country have been so large that, taking the operation altogether, the trade has been a most losing trade the last two years in both its parts; namely, upon the goods exported to China, and upon the tea imported from China.

7. Dr. *Bowring.*] Would that have been the case if the remittances had been in bills of exchange?—I take the exchange at 4*s.* 4*d.* the dollar; but after all, bills of exchange can only be a representative of the actual mode by which the goods were paid for. It was clear that the India trade paid, and more than paid for the China trade before; because the consequence was, that China had to pay a balance in Sycee silver; and it was from that circumstance that the extraction of the silver from China was one of the main causes of the last war, and therefore our exportation of British manufactures has only aggravated the evil. I have stated this to show that the present state of things cannot last, and that though it appears that there is a very large exportation of goods beyond what was sent in the Company's time to China, and although it is shown that there is a much larger quantity of tea than was sent home in the Company's time from China, and although the revenue has largely increased, all those three elements will in a very short time, unless an alteration takes place, show a very different result. There is a loss upon the export of goods; there is a loss upon the import of tea; and the revenue must suffer, because it is impossible that the trade can continue to be carried on in the same manner in which it has been.

8. Is it the fact, that if a sufficient supply of tea were not found in China to balance the exports to China, bills of exchange are not in the market to make the remittance?—If there were any other means by which they could supply the payment, a very different result would take place; but tea is the main article; and with reference to that, to show the nature of the barter trade in China, I will read a statement which we have from the best authority in China. He says: "It is only by a direct barter trade that we can hope to push our manufactures to any considerable extent in China. British manufactures are almost exclusively given in barter for tea, and tea may thus be taken in exchange for goods at from 15 to 20 per cent. less than money or the current rate of exchange. It is only to the British that the Chinese can dispose of tea. Tea being but little used on the continent of Europe, we have only our own consumption to look to, as indicating the extent to which we can exchange our manufactures." That of course we know; it is essentially a barter trade; tea is the main article; there is no other article. There has been a considerable importation of silk, but nothing equal to the demand for a beneficial return in payment for our goods. Then I come to this point, that having established, I think, that the trade cannot remain as it is now, in consequence of those losses, the only question is, can you, by enlarging the consumption of the main staple article of China, tea, bring about a better state of things? I have stated that the quantity of tea consumed per head in this country is very small. Now the question is, whether that can be enlarged. I have no hesitation in saying, that I think there can be no doubt that China can produce a much larger quantity of tea for export without any rise of the price in China. When we see that since the opening of the trade the former supply of 32,000,000 has increased to 57,000,000, without any perceptible rise of the price in China,

Sir *G. G. de H. Larpent*, Bart.

15 April 1847.

China, that alone establishes the case partly, at least. And when you take into consideration, also, that by the introduction of tea into Europe, there is a gross amount of 70 or 80,000,000 of pounds now consumed in Europe, which has also had very little effect upon the Chinese prices, that is an additional argument in favour of the position that tea can be produced in China for export in almost any quantity.

9. Does your 80,000,000 of pounds take in the land export too?—Yes. The quantity that goes through Russia is not large. Mr. Montgomery Martin mentions (I do not know upon what authority; all these statements with regard to China are very loose), that the gross produce of China in tea cannot be less than 1,500,000,000 of pounds weight. If that is the case, there can be little doubt that what we want for this country is but as a drop of water; but I have no fear but that it can be produced in China without any rise in price there.

10. When you estimate the consumption at 13 lbs. per head in England, that refers to the opulent classes?—That refers to the opulent classes of the middle class of life. Of course that cannot be extended to the whole, but the difference between 1 lb. 10 oz. and 13 lbs. is so large, that there is a large margin for increased consumption.

11. Have you any statement of the consumption per head in other classes, besides the middle classes?—No; there is a gentleman here, who will speak to the result of the examination of the middle classes, from which that figure of 13 pounds weight was derived; but I do not know that there has been any other calculation made.

12. Mr. *Beckett.*] You said that there was a loss upon the sale of our manufactured goods, and also upon the return for the tea; is there a loss upon the sale of the manufactured goods in China, irrespective of the loss upon the tea?—No; if you suppose it is a barter trade, then the result of the two operations comes to one thing. If on the other hand the party takes it in tea there, he may get an advantage upon his goods, which will be lost by the result of the tea. I only meant to say, that so far as the operation went, I was obliged to take the two elements, and that on both of them there is a loss. I think therefore the case is so far established, that the only chance you have of improving the China trade, or of bringing forth those results which were anticipated when the China trade was opened, is by increasing the demand for tea; and that that can only be done by increasing the consumption; and that that consumption is a consumption that can be fairly looked forward to in this country, from the general taste prevailing for tea; and that also the power of China to give the tea is unquestionable. That being the case, I should also beg to state one or two other points, which I think bear strongly upon this subject. The duty on tea is a duty now of not less than 165 per cent., taking all the various qualities of tea; a duty which is certainly anomalous in our fiscal system, with reference to an article of such consumption as tea. Whenever we have seen a reduction of duty, as in sugar, as in coffee, as in spirits, the principle has, I think, been clearly worked out, that the result has been an increased consumption. We may therefore upon general principles suppose, that a reduction from a duty of 165 per cent., of itself, would considerably increase the consumption.

13. Dr. *Bowring.*] Is it 165 per cent. on the English price, or upon the cost in China?—165 per cent. upon the English price. Then I should say that the mode in which the duty now stands is unfair in this manner. When the duty was first established, it was taken, I believe, upon the principle, or rather with reference to the amount that had existed previously of 96 and 100 per cent. At that time the main article of tea imported from China was Congou. At that time not less than 22 or 23 millions of pounds weight of the Company's importation was Congou, and the price was upwards of 2 *s.* per pound. That class of teas has now fallen to about 1 *s.* 3 *d.*, and the duty therefore, instead of operating as a duty of 100 per cent., operates as a duty of 165 per cent. or more upon that class of tea, nearly approaching to 200 per cent.; consequently the revenue has greatly benefited by the cheapness, much beyond what when the Legislature fixed the duty, it really intended. I recollect at the time, and perhaps some gentlemen here will know, that the object in fixing the duty of 2 *s.* 1 *d.* was to get a revenue of somewhere about 3,600,000 *l.*, and it was

upon

upon the calculation that at those prices 3,600,000 *l.* of duty at 2 *s.* 1 *d.* could be obtained. Now you have got a duty of upwards of 5,000,000 *l.* at an increased duty amounting to nearly 200 per cent., consequently the revenue has benefited very largely. If while the revenue has benefited at the same time the trade had benefited also, it would all have been in a very healthy state; but we are coming here to show that the losses are such that this cannot continue, and that therefore you must revert to what you had before, namely, as near an approach to 100 per cent. as you possibly can, and upon that ground I say that 1 *s.* per pound is the outside that we ought to pay.

14. Is the effect of a duty upon the consumer, either when it is laid on or taken off, limited to the exact amount of the duty, or is there also a per-centage of charge arising from the duty beyond the amount of its own burden?—There is an increased charge in every stage before it comes to the consumer in consequence of this duty; everybody who deals in an article which he is obliged to have at a large duty, is obliged to charge more for the risk, for the advances; and the per-centage is always higher in consequence of the duty, so that the consumer pays more than he ought to do in consequence of the high duty.

15. So that if an article is advanced in price twice or thrice, the consumer has to pay the interest, whatever the commercial interest and profit may be, or the retail interest and profit may be, upon that double or treble price?—I should think so.

16. If, for example, one million were the natural price of the article without the duty, and it was raised to three millions by the duty, the consumer would have to pay the merchant's and dealer's profit upon three millions instead of upon one million?—Certainly, if the duty fell upon the same amount of article. You must take the same amounts to make the comparison. I am not accurately versed in the mode in which the tea is dealt out to the consumer after it leaves the importer, but evidence can be produced upon that; but I have no hesitation in supposing that in consequence of the additional price of 2 *s.* 1 *d.* added to the cost of the article, every stage in bringing it to the consumer must cost more and more.

17. Dr. *Bowring.*] What is the amount of the duty, per cent., upon the cost of the tea in China?—It can easily be calculated; because, assuming the cost of the tea as two millions and the duty five, it is as two to five.

18. It is nearly 400 per cent.?—Yes.

19. You stated that the original cost in China of the tea imported into this country was two millions, the charges upon it were two millions and a half, and that the Government received four millions and a half; that would be cent. per cent. upon the cost?—I said that taking it roughly, dividing it into nine parts, the revenue took half; but comparing it with the China price, it would be four and a half against two upon the China price. The duty is exorbitant, and that brings me to a point I wish to state, namely, the gross injustice of that duty towards China, when upon their staple product you levy a duty of nearly 400 per cent., while you confine them to charge upon your staples a duty of only five per cent.

20. (To Mr. *Gregson.*) Can you state what per-centage upon the cost of the tea in China is the English duty of 2 *s.* 2 *d.* per pound?—Taking the bond price here at 1 *s.*, we say the duty is 200 per cent.; then deduct from the shilling the charges of transit, 3 ½ *d.*, it leaves the cost in China 8 ½ *d.*, upon which the duty would be about 300 per cent.

21. Mr. *Ewart.* (To Sir *G. Larpent.*) You stated that there had been an increased consumption of tea in the Isle of Man in consequence of the reduction of the duty; can you state what has been the effect with respect to sugar?—There has been an increase.

22. Do you know to what amount?—(Mr. *Gregson.*) In 1843-4 the Muscovado was 10,000 cwt., and 800 cwt. refined; in 1845 it was 11,074 cwt. of Muscovado, and 910 cwt. refined; and in 1846 it was 12,396 cwt. of Muscovado, and 1,241 cwt. refined; showing that the importation of sugar, and I suppose, therefore, the consumption of sugar in the Isle of Man, in some degree kept pace with the increased consumption of tea. There was no alteration in the sugar in the Isle of Man; I believe the duty upon the sugar remained upon the same footing with reference to consumption in the Isle of Man as it was before, and that the increased consumption is solely to be attri-

Sir G. G. de H. Larpent, Bart.

15 April 1847.

buted to the increased demand arising from the increased consumption of tea. The elements of price with regard to sugar remained the same, but they did not remain the same with regard to tea.

23. (To Sir *G. Larpent.*) Is not it the case that at Ching Hae, where the prosperity of the trade is greatest, the system of barter prevails the most?—I believe it to be so from what I have heard, and I can produce a gentleman who has recently returned from Ching Hae, who stated to me that that was the case. Mr. Fortune, in his work, mentions pretty nearly the same thing. I should be glad to put in a Table, showing the exports of cotton and woollen manufactures to China in 1846, to confirm the statement I made. In the year 1846 the export of those various articles to China had considerably diminished in consequence of losses which had been sustained. I think this Table I have here with me will show that to be the fact.

[*The same was delivered in, and is as follows:*]

EXPORTS of COTTON and WOOLLEN MANUFACTURES to *China*, from *London*, *Liverpool*, *Bristol*, *Hull*, and the *Clyde*, from the 3d January to 26th December, in the Years 1845 and 1846.

| | 1845. | | 1846. | |
|---|---|---|---|---|
| | £. | | £. | |
| Plain calicoes | - | 108,675,015 yds. | - | 69,888,631 yds. |
| Printed and dyed calicoes | - | 2,497,622 „ | - | 2,669,692 „ |
| Cambrics, muslins, &c. | - | 3,000 „ | — | — |
| Other plain cotton goods | - | 50 „ | - | 2,813 „ |
| Lace, gauze, &c. | - | 26,078 „ | - | 3,600 „ |
| Counterpanes and quilts | - | - | - | 300 pcs. |
| Cotton hosiery, caps and gloves | - | 553 doz. | - | 842 doz. |
| Cotton shawls and handkerchiefs | - | 6,311 „ | - | 2,078 „ |
| Cotton and linen cloth, mixed | - | - | - | 85 yds. |
| Cotton goods, unenumerated | 406 | - | 23 | — |
| Linens, part by value, part by quantity | 1,313 | 164,304 yds. | 726 | 139,691 „ |
| Cotton twist and yarn | - | 2,616,440 lbs. | - | 4,112,168 lbs. |
| Thread and sewing cotton | - | 9,904 „ | - | 950 „ |
| Woollens and cottons, mixed | 1,795 | - | 8,760 | — |
| Kerseymeres | 1,795 | — | — | — |
| Long and short cloths | 90,607 | - | 94,733 | — |
| Woollen and worsted stuffs | 444,926 | - | 291,954 | — |
| Heavy woollens | 1,722 | - | 201 | — |
| Shawls | - | - | 40 | — |
| Flannels and blanketing | 5,953 | - | 622 | — |
| Woollen and worsted hosiery | 458 | - | 231 | — |
| Woollens, unenumerated | 3,853 | - | 29,133 | — |
| | £. 556,109 | £. | 425,674 | |

24. Dr. *Bowring.*] You have suggested that the duty should be reduced to 1 *s.* upon teas of all qualities?—The suggestion of myself and the gentlemen with whom I have acted is, that we cannot revert to anything like an *ad valorem* duty. I am aware that Mr. M'Culloch advocates an *ad valorem* duty; but I think there is a passage in Mr. Fortune's recent work which altogether prevents the possibility of it. Great dispute has arisen with regard to green tea and black tea; it was supposed that they were two kinds of tea, *Thea viridis* and the Bohea tea. There is no doubt that the Bohea tea near Canton (though Bohea is a district in the northern provinces), that the Canton Bohea is of a separate kind; but Mr. Fortune says, "I have stated in a former chapter, that the tea plant of the northern green tea districts is the true *Thea viridis* of botanists. I was now fortunate enough, not only to find an extensive tea district, but also to be present when the natives were picking and preparing the leaves; and I not only procured specimens for my herbarium, but also a living plant, which I afterwards took to the green tea hills of the north, and found, on minute comparison, that it was identical with the *Thea viridis*. In other words, the black and green teas which generally come to England from the northern provinces of China are made from the same species; and the difference of colour, flavour, &c., is solely the result of the different modes of preparation." He then goes into the various modes of preparation. He shows the manner

manner in which what is called the black tea, and what is called the green, is procured from the same plant; and therefore I think the fair inference is, that if you made a considerable distinction in duty between them, the Chinese, who are great imitators, would make the whole of such an appearance as to take the smaller duty, instead of the larger duty, and therefore you would not accomplish your object.

25. Mr. *Ewart.*] You are aware that that question came before the Committee on the Tea Duties in 1834?—I am perfectly aware that the general impression of all parties, both tea merchants and revenue officers, was, that the distinction could not be maintained. I think further, upon principle, that the distinction, if it can be avoided, is undesirable; it is, in fact, an encouragement to import a bad article; and we have seen that the Congou tea, which is the main staple article from China, has improved in quality in consequence of there being no distinction of duty, and I believe gentlemen connected with the tea trade will confirm that.

26. Mr. *Brown.*] If these teas, instead of being saddled with a specific duty, were sold in bond, and had to pay an *ad valorem* duty, are there not persons sufficiently conversant with the article to ascertain the value, notwithstanding the disguise which the Chinese might choose to put upon it?—The difficulty would be in ascertaining what was a fair *ad valorem* duty. I do not see how you could establish an *ad valorem* duty, unless you confined the importation to three or four ports, which would not be admitted in the present times, and then making it a sale by auction, as it was in the time of the Company. The thing is possible, and it was at one time thought that it might be done in London, or in Liverpool, through the medium of the docks, where it might be sold in bond, and where its value might be ascertained; but when it was considered that that would confine it to those ports which have the advantage of such docks and establishments as can give security to the revenue, and prevent dishonest practices, it was thought, that with the present feeling with regard to the power of importing and exporting throughout the kingdom, that was not practicable. It is the fact, in my opinion, that you cannot depend upon the distinction between the different kinds of tea, because there is no natural distinction between the qualities of tea, and therefore substitutes would be made in conformity to the scale of duties established here, and that unless you confined the auction sales to a few ports, it would be open to dishonest practices.

27. Mr. *Ewart.*] Would not such a system interfere with sales by private contract?—Very largely.

28. Would that be practicable in a commercial country like this?—I should say that it would be a very dangerous principle to establish. Wherever there is an auction sale, of course the catalogue will show the exact price obtained at the auction. The dealer, who purchases it, sends it to the country, and he puts his price upon it, and that price is known to be an advance of a certain amount upon the price in the catalogue, and he cannot sell it therefore beyond a certain amount of advance upon the price that stands in the catalogue. Instead of which, when he buys by private contract, he manages as he pleases, and the original price not being known, he is enabled to make better arrangements under his own individual judgment than he could otherwise.

29. Mr. *Brown.*] Would not that lower price which the dealer would be obliged to take in consequence of the price which he gave at the auction being known, though it might lower his profits, be a benefit to the trade and to the revenue, because the lower the price at which he sold, the greater probably would be the consumption?—Upon those premises it would be so; but the question is, whether in the long run it would not be better to let the parties haggle and settle between themselves what the price should be.

30. Dr. *Bowring.*] Would it not be difficult to find, in all the ports of the Kingdom, custom-house officers who would be competent to protect the revenue with an *ad valorem* duty?—Yes. What I contend is, that the tea is really cheaper by the power that every party has to haggle and manage it in his own way.

31. Mr. *Cardwell.*] Your argument is, that under a free system of competition, without any Government restriction, prices are likely to find a lower level than would be the case if, by confining the importations to a few ports, and adopting a system of auctions, you established something like a confined price?—Decidedly.

Sir *G.G de H.Larpent*, Bart.

15 April 1847.

32. You said that a large part of the tea imported is sold through the country in small quantities by the ounce; are you aware whether the parties who are compelled to purchase in those small quantities have a preference for a better tea at a higher price, rather than an inferior tea at the lowest possible price?—I cannot speak of my own knowledge upon that, but the impression upon my mind is that the lower classes like the finer qualities of tea if they can get them. I have always found that they like the best Congou. I can state one circumstance which happens to be within my own knowledge: the Assam tea is remarkably astringent, and very strong and black in its colour, and the small quantity imported has always borne a better price in the market than China tea; and I am told that it is principally owing to this, that after a second, third, and fourth watering it still gives a strength which is exhilarating to the lower class of persons.

33. A system of duty, therefore, which favoured the importation of the finer class of tea, would be, in your judgment, favourable to the class of persons who are compelled to buy in small quantities?—Certainly; it would meet the wishes of the great mass of the people, and I think the principle ought always to be to encourage the importation of the best article that you can.

34. That would be an argument for a fixed duty in preference to an *ad valorem* duty?—Yes.

35. *Chairman.*] Has not *ad valorem* duty a tendency to disturb the natural value of the different qualities?—I think that if you had any machinery by which you could come at the honest *ad valorem* duty, nothing could be fairer than an *ad valorem* duty, but there has always been a difficulty in that. In the case of wines, for instance, the finest wines are all charged the same duty as the commonest wines. You cannot establish a mode by which you can arrive at the real value. If you can, unquestionably the value ought to be the test of the duty.

36. Mr. *Cardwell.*] Was the former scale of duty, which was tried a few years ago, and which was not an *ad valorem* duty, but a duty differing upon different classes of tea, exposed to less difficulty in practical operation than an *ad valorem* duty?—Yes, much less; and as that, which was a modified system of *ad valorem* duty, totally failed in the opinion of all parties, *à fortiori*, it would be worse with an actual *ad valorem* duty.

37. Has not the same system been recently tried with respect to sugar?—It has.

38. Can you state what has been the operation of that graduated scale?—With regard to London, we have found that the inconvenience has not been very great; but I believe that gentlemen connected with Liverpool have made great complaints of the scale of duties established by the last arrangement.

39. *Chairman.*] The great difficulty is in getting an uniform standard in different ports?—Yes; the difficulty was so great that we prayed to have a standard, and a standard was given to us in London, which was sent to the outports, and which was sent to places in India from which there was any exportation of sugar, and they were to conform to that, and in consequence that has worked very fairly in London. The Custom-house officers have maintained the standard, and I do not think, practically, there has been any great inconvenience from it, but I am told that at Liverpool there has been, and it is always susceptible of that. The fact is, that the standard was taken so fairly and so justly, that there could be no question about the matter; but I am against all standards of every kind, because I think the best plan is to have no classification if you can possibly help it.

40. Mr. *Cardwell.*] You say that the inconvenience has been small because the standard was so fairly taken by the Customs; that means, in fact, that the amount of duty collected at the higher rate was very small?—Very small. The intention was to exclude from the low duty only a certain limited class of fine sugars. That has been fairly accomplished. If it had been so arranged as to create constant disputes, there would have been a difficulty in the working of it.

41. Are you aware of a case in which sugar, which formed part of the same original consignment, was sent in two parcels, one of which was unloaded in Liverpool, and the other unloaded in London, and that a different rate of duty was charged upon the same sugar in the two ports?—I have heard of the case. I had it before me.

42. Do you think that a case of that kind would be more likely to occur in teas than in sugars?—Of course.

43. Mr. *Ewart.*] If the duty were levied on tea according to the sale price by public auction, ought not the same system to be applied to sugar, tobacco, and other articles?—Yes.

44. Would that be possible?—I think it would be impossible, and the Legislature has shown that it thinks so by having gone to one duty instead of having various duties.

45. *Chairman.*] Is there any export duty on tea in China?—The export duty upon tea in China amounts to about 15 per cent.

45*. Are there any transit duties from the place of growth to the port in China?—We know of nothing of the kind; when we get more communication with Shang-hae and get tea from the northern part, the probability is that we shall get the tea without the heavy expense of bringing it from the northern provinces to Canton.

46. Viscount *Jocelyn.*] Do you include the export duty in the price which you have given as the price in China?—Yes.

47. *Chairman.*] Is that export duty the same at various points?—The same at various points; I believe it is so many tale.

48. Viscount *Jocelyn.*] It is 15 per cent. upon the cost price in China?—Upon what they estimate as the cost price.

49. Mr. *Ewart.*] Supposing your suggestion were carried out of reducing the duty on tea to 1 *s.* per pound, have you made any estimate of what the revenue would gain by the increased consumption of sugar?—Holding, if my principles are sound, that there will be an increased consumption, I state my opinion, that though the defalcation of revenue in the first instance will be undoubted, it will be only temporary, and that it will ultimately be recovered.

50. *Chairman.*] Have you ever formed any estimate of the price at which tea could be sold in this country, if the duty were reduced to 1 *s.*?—I have two or three calculations, but they are so indefinite that I would not pledge myself to them; I have a calculation, taking the population at 28,000,000, and allowing to each 39 ounces, the consumption would be 68,250,000 lbs., providing a revenue of 3,412,500 *l.* Then we may assume an increased quantity of sugar, at the same rate at which we suppose that in the Isle of Man the increase of sugar arose from the alteration in the tea duty. Then supposing that to be at the rate of 5 ½ pounds of sugar to each pound of tea, that would give 50,865 tons, which, at 21 *s.*, would yield an increased revenue of 1,078,165 *l.*, and which would bring the revenue up to 4,490,665 *l.* I am quite aware that the whole gist of the matter lies in the question of revenue. The question is, whether you can part with a certain quantity of revenue in the first instance, to justify giving ample time for the working out these principles, which I believe to be perfectly sound, and by which in the long run, in course of time, you will be fully covered in revenue, to the advancement of the interests of your manufactures, and of your shipping and general trade with all the most important countries in the world; that is the view which I take. I have stated, over and over again, that I never would advocate this measure, unless there was a mode by which the temporary defalcation of the revenue could be supplied; that I have confidence in the soundness of these principles, and that ultimately it would be so; but that unless there was a means by which that can be done, it was not for us to press it.

51. Dr. *Bowring.*] Have you formed any estimate of the period in which, if the duty were reduced to 1 *s.*, the revenue would be restored to its present amount?—It is very dangerous to state that; I think that no Government ought to make an alteration of that kind, till they are prepared to meet the deficiency, so as to give it time to work. One ground upon which I think the sooner you do something the better is, that I think the revenue will fall off from natural causes; that if the losses continue as large as they have been upon the China trade, the quantity will diminish, and then the revenue will diminish.

52. Are you aware, when the duties on coffee were reduced, how long it took to recover the revenue?—I can state that on coffee the result has been most satisfactory. Wherever the principle of a reduction of duty upon those main articles of consumption has been tried, it has been accompanied by a very considerable and rapid increase. To take the article of sugar; the consumption

Sir C. C. de H. Larpent, Bart.

15 April 1847.

of sugar in the last year was not less than 260,000 tons; whereas before, it was not more than 220,000 tons; a difference of 40,000 *l.* from the alteration of the duty. I have no doubt that the revenue would be recovered, but I would not venture to prophecy at what period it may take place; but you are to consider the soundness of the principle that will lead to the revenue being recovered, and the probable loss you will sustain by maintaining a ruinous taxation.

53. Mr. *Moffatt.*] Is not it within your experience that as the price of tea has fallen, the consumption has increased?—It has oscillated between price and consumption almost mechanically. I should say that it is like the working of a machine; and to prove that, I should refer both to Mr. Porter, in his "Progress of the Nation," and also to Mr. M'Culloch. In the last edition of Mr. Porter, page 561, he says, "The lessons taught by the facts above detailed, with regard to the consumption of coffee, are abundantly confirmed by the history of our tea trade. There are not any records in existence to show the consumption of this article in Great Britain only. Until the opening of the China tea trade in 1833, tea could not be legally imported, except into the port of London, where alone the duty was received upon all that was consumed throughout the United Kingdom. The following comparative statement of the consumption at the periods selected must therefore be considered to apply to Ireland as well as to Great Britain. In the year 1801, the number of pounds consumed was 20,237,753; the rate of duty was 20 per cent. under 2 *s.* 6 *d.* per pound, and 50 per cent. above. The population of the United Kingdom was 16,338,102; the average consumption was 1 lb. 3·75 oz.; the contribution per head to the revenue was 1 *s.* 9 ½ *d.* In 1811, the number of pounds consumed was 20,702,809; the rate of duty was 96 per cent. on value. The population of the United Kingdom was 18,547,720; the average consumption was 1 lb. 1·10 oz.; the contribution per head to the revenue was 4 *s.* – ¼ *d.* In 1821, the number of pounds consumed was 22,892,913; the rate of duty was 96 per cent. under 2 *s.* per lb., and 100 per cent. above. The population of the United Kingdom had then increased to 21,193,458; the average consumption was 1 lb. 0·52 oz.; the contribution per head to the revenue was 3 *s.* 6 *d.* In 1831, the number of pounds consumed was 29,997,101; the rate of duty was the same as 1821. The population of the United Kingdom had then increased to 24,029,702; the average consumption was 1 lb. 3·93 oz.; the contribution per head to the revenue was 2 *s.* 9 *d.* In 1841, after the opening of the free trade, after the article was lessened in price, the number of pounds consumed was 36,675,667; the rate of duty was 2 *s.* 1 *d.* per pound. The population of the United Kingdom was then 26,711,694; the average consumption was 1 lb. 5·96 oz.; the contribution per head to the revenue was 2 *s.* 11 *d.*" Bearing out the case that, during the Company's time, when there was an uniformly high price, the consumption did not at all keep pace with the increase of population; but the moment the price fell, the consumption greatly increased.

54. Mr. *Baring.*] You stated the effect of the increased consumption of tea upon the consumption of sugar in the Isle of Man; can you tell us whether there has been an increase in the consumption of sugar in England at all in proportion to the increase in the consumption of tea?—We know that the sugar has increased very largely, so much beyond any increase in the consumption of tea, that we hardly know where to place the cause. The cause of the great consumption of sugar in England has been the reduction of duty, unquestionably.

55. Taking it that from the time of the change in the Charter there was a large increase in the consumption of tea, was there at all a corresponding increased consumption of sugar till the time when the duty on sugar was reduced?—I do not know how the fact was as to that.

56. Mr. *Matheson.*] Supposing the duty on tea to be immediately reduced from 2 *s.* 2 ¼ *d.* to 1 *s.* per pound, would not that immediately occasion a rise in the price of tea, charged by the importer, so that the consumer would not reap the benefit of the entire difference between the 1 *s.* and the 2 *s.* 2 ¼ *d.*?—Certainly; the whole advantage cannot be gained by the consumer; for, in the first instance, you must replace to the importer the amount that is now lost; therefore the whole difference between the 2 *s.* 2 ¼ *d.* and the 1 *s.* will not go to the consumer. Unquestionably the first operation will be to bring the trade into that healthy state that tea can be imported without a loss; then of course the difference will form the amount of benefit to the consumer.

57. Would

57. Would not the increased demand here by the importer occasion a rise in the price charged by the seller in China, upon the natural principle of commercial speculation?—The question is a question between supply and demand. If the supply in China is so large that it could be obtained without any increased price, there would be no operation from the difference here.

58. *Chairman.*] Hitherto you have had an increase of the demand in China without any increase in the price?—Without any increase in the price.

59. Mr. *Matheson.*] Has not the increase of the quantity exported from China been gradual from year to year?—I think it has. In the year 1840 it fell, owing to the state of things in China, to 28,021,882; in 1841 it rose to 30,787,796; in 1842, to 40,742,128; in 1843, to 46,612,737; in 1844, to 53,147,078; in 1845, to 51,057,930; and in 1846, to 54,768,299. It had been as high in 1838 as 40,413,714. There has been a gradual increase.

60. *Chairman.*] What is the greatest increase in any one year?—The difference between 1842 and 1846 was a difference of 14,000,000, as nearly as possible.

61. What per-centage is that?—It is nearly 30 per cent. between those two extreme points.

62. Without an increase of price?—There was a considerable increase of price during the time of the diminished consumption. It was a most gambling article at the time.

63. But without an increase of price when the large demand came upon the market?—When the 54,000,000 lbs. was imported, the price in China did not increase at all; on the contrary, it is rather lower than it was. At that time there was vast speculation, diminished importation, and high price.

64. Dr. *Bowring.*] What are the prices now in China, as compared with the prices during the Company's monopoly?—(Mr. *Gregson.*) I believe the price of Congou tea, which was about 17 or 18 taels in the Company's time, has been about 20 or 21 lately.

65. Mr. *Matheson.*] Is it not the case in most foreign markets, that the price abroad at the ports of supply is reckoned very much according to the prices prevailing at the ports in this country?—As a general principle.

66. Supposing there was a very great increase in the demand for tea in this country, would not the prices in China rise in a corresponding proportion?—I have stated that the trade in China is so much a barter trade, that it is not quite susceptible of the same sort of effect that takes places in general trade, perhaps, with other nations. It is a certain quantity of British manufactured goods that is given for a certain quantity of tea. At present, if you cannot get any more, you must be subject to the loss of selling the tea in this country. The tea merchants are wishing to obtain your manufactured goods, and the question is, who, in haggling, will get the best of the bargain.

67. Have you not understood that in consequence of the large amount of British manufactures exported to China, and in consequence of there being only one source of supply for teas, the Chinese dealer is much more able to give the law in those barter transactions than the seller of British manufactures?—I would rather not venture an opinion upon that. Your own authority is much superior to mine. There are gentlemen who have very recently returned from China, who have been actually haggling in the market at Shang-hae, and who will give much better information than I can, who have received it at second hand.

68. Dr. *Bowring.*] In your opinion, might not a progressive reduction of the duty on tea, at the same time secure the revenue and protect the consumer?—I have no opinion of progressive reductions.

69. Suppose it were known beforehand, and the period was specified at which the duty would be reduced to 1 *s.*?—It is a question very much for those who have the regulation of the finances to answer.

70. Mr. *Ewart.*] According to your opinion, does not a progressive reduction tend rather to disturb the market?—I think it is very dangerous, because everybody is looking forward to it, and all arrangements are disturbed by its operation. I should say that the best plan is to determine what you mean to do, and to do it at once.

71. Mr. *Brown.*] Do you recollect whether the price of sugar advanced or remained stationary, or became lower during the period when the consumption of tea was increasing?—I am not prepared to answer that.

Sir *G.G. de H. Larpent*, Bart.

15 April 1847.

72. If the price of sugar advanced, would it not show that that was the cause of the decreased consumption of sugar, when the increased consumption of tea was promoted; in fact, that the increased price of sugar counteracted the effect which would otherwise have arisen from the increased consumption of tea?—Nothing is more difficult than to distinguish between separate causes all acting to produce the same result. All I can say is, that the operation, which was upon a small scale in the Isle of Man, did give that result, and we may fairly take that result as a criterion of what might be the consequence upon a large scale here. But it was impossible, during the complicated state of our trade in the period in question, to state what proportion arose from the increased consumption of tea, and what from other causes.

73. Viscount *Jocelyn.*] What reduction of duty do you think would so diminish the price of tea to the consumer, as to increase the consumption of tea to any great extent in this country?—I should say that if you reduce the duty to a shilling, in my opinion, after providing due remuneration to the importer, and giving him a fair return for his trade, probably the reduction of price would be such as to induce a very much increased consumption.

74. You were understood to say, that a large proportion of that diminution of the duty will not benefit the consumer, but will necessarily go to place the trade upon a proper footing?—I did not say "a large proportion." I said "a certain portion." But my case is, that there is a loss in the trade, and the alteration that I suggest must, in the first place, go to place the trade upon a sound footing. After that the reduction in the duty, as in the case of all other articles, such as coffee and sugar, will have the effect which always follows, upon the principle that a reduction of price upon articles coveted by the great mass of the people will increase the consumption; but the various items in the result it is impossible to tell.

75. Dr. *Bowring.*] Supposing that the tea were relieved to the extent of two millions in the shape of duty, would not that two millions, under ordinary circumstances, go to increase the demand for tea?—It is quite clear that the funds to be applied to the purchase of tea or any other article remain the same, whether the article is high or whether it is low; it is a pure question of distribution. If the public can get it, they would prefer to have a quantity of tea for their domestic use in preference to spirits or other articles. There is no doubt that it is a mode of distribution which on the one hand might reduce the duty upon spirits, and on the other hand would increase it upon tea, but it will not increase the fund. If there is two millions which goes to the revenue which is paid for tea, or if there is two millions in the pockets of the parties to buy what articles they choose, what I want is for them to have the choice of buying that which they like best, which is tea. I believe that gentlemen connected with the manufacturing towns will say that the article of tea is what is preferred, and what we ought to encourage, if we can, for domestic happiness and comfort, in preference to any other article.

76. The two millions the revenue would sacrifice would come into the tea market?—I believe a very large portion of it would come into the tea market.

77. Viscount *Jocelyn.*] What proportion of that two millions would go to put the trade upon a right footing?—I do not wish to measure it accurately, but supposing the loss upon the trade to be 25 per cent., 2 *d.* a pound very nearly might do; 2 *d.* upon an article of that price has an immense effect. Assuming that the loss in the trade is 25 per cent., it would very soon cover the loss, and leave a very large margin.

78. *Chairman.*] Would there not be great room afforded for lowering the price to the consumer, by the less amount of capital that would require to be employed by the retail dealer, and the less amount of interest charged upon that capital?—Certainly.

79. Which of itself would probably more than cover the reimbursement of the wholesale dealer?—Yes; I wish to lay a stress upon that, that in order to place the trade upon a proper footing it would require by no means a large item in the aggregate. With an article so placed as tea is, it would be a small proportion; when you consider 25 per cent. upon the three millions, you do not want more than six or seven thousand pounds to cover the losses.

80. Mr. *Ewart.*] The quantity of tea having very much increased of late years, has the quality been deteriorated?—No; I believe the quality may be considered to be rather improved than otherwise; unquestinably Congou tea as an article has improved in quality.

81. Therefore as far as the increased demand has gone, hitherto, China has been enabled to send out as good or a superior article?—Superior.

82. *Chairman.*] What portion of the retail price should you estimate the interest upon the duty to be?—There are other gentlemen here who know more about it, after it leaves my hands; but taking the advance to be 30 per cent. on the price after it leaves the importer's hands, till it arrives in the petty retailer's, the consumer pays 8½ *d.* per lb. for the retailer's profit on the duty of 2*s.* 2*d.* In taking 1 *s.* per pound, therefore, off the duty, you relieve the consumer of 1 *s.* 4 *d.* per pound in the price he pays.

83. Dr. *Bowring.*] Has the increased demand been principally for the superior or inferior qualities of tea?—It has been mainly upon the Congou tea.

84. Mr. *Beckett.*] Can any comparison be drawn between the relative price in London and New York?—With reference to the American trade I am not very conversant with it, but I believe the habits of America are much more upon the consumption of coffee than they are upon tea; therefore America does not afford the same criterion; you cannot increase coffee as you can increase tea here; tea is preferred by the people of this country, but the habits of America run more upon coffee than tea.

85. Mr. *Harcourt.*] Do you think our Consul at Ningpo likely to form a useful opinion as to the effect upon the cost price in China of a reduction of the duty here?—I had a high opinion of Mr. Thom; he was a man of superior attainments; I know the result of his evidence, for I have read it; but I do not think that it is one that I should lay much stress upon, I confess.

86. You are aware that he spoke of the reduction of duty as a plausible theory?—Yes.

87. He says in this Despatch, "The Chinese now produce nearly double the quantity of tea that they did at the expiry of the Company's Charter, and yet so far from having reduced their prices, they have augmented them; and I consider a tael or two a picul as a great augmentation, remembering that the general character of the present investments is very far inferior to the choice selections of the Company." Do you consider it to be the fact that they have doubled the production of tea since the expiration of the Charter?—I am totally unable to give any opinion upon it myself. I doubt whether Mr. Thom or any person is able to give an opinion upon it; he must have meant "produced in the market;" he must have meant the surplus for sale. In a great tea consuming country like that, it is only the surplus that goes to foreign trade. Another circumstance is, that the whole supply of tea for the European market is a manufactured article. Mr. Fortune most distinctly states, that there is not a pound of tea that comes to this country, that is similar to the tea that is used in China; that it is entirely made up for this market. He says the green tea is coloured by a particular dye; that it might as well be coloured yellow, or blue, or anything else; that it is a manufactured article, adapted to what they suppose to be the taste of this country. And it is very much like what I suppose is the case with reference to sugar in India. As long as India is a great sugar consuming country, it will be only the surplus that will be sent, unless they manufacture it on purpose for the European market.

88. Dr. *Bowring.*] Do you suppose that that process in the manufacture of tea, by which it is converted into green tea, alters the flavour, or only the appearance?—I am not a sufficient judge to answer that.

89. Mr. *Ewart.*] Is the tea sent to Russia of a purer kind than that which comes to this country?—It is a different kind of tea; it has more of a flowery taste.

90. *Chairman.*] Strongly perfumed?—A strongly perfumed taste.

91. Mr. *Matheson.*] Is not the process of manufacturing tea for the European market pretty much for the purpose of putting it in a condition to keep for a considerable period?—To prepare it for a long voyage. The great object is to extract from it all the oily matter, without diminishing the flavour. It is done for the purpose of avoiding any deterioration during the voyage. Under the Company's former regulations, they were bound to keep one year's supply in hand, so that we always drank tea of two years old.

92. Mr. *Moffatt.*] In reference to the price of tea in China, you have been questioned as to whether an increased demand in the markets of China would not cause an increased price; can you state whether the prices at the present time in China are lower for tea generally than they have been at any previous period?—

Sir *G.G. de H. Larpent*, Bart.

15 April 1847.

period?—I believe them to be so. I have taken the prices since 1843 upon all the various articles of tea in China. Taking Congou, it was in January 1843 from 22 to 34 taels, and in December 1846 it was from 14 to 24: that is the main article. I set my clerks to work upon this, and that is the result given to me, and I believe the fact to be so.

93. Dr. *Bowring.*] Is not that a re-action from the dullness of the English markets?—I believe so.

94. *Chairman.*] Can you state the variations year by year?—In January 1844 it was from 17 to 26; and in October 1845, from 14 to 18.

95. Mr. *Moffatt.*] With this great diminution of prices, is the supply for the present year likely to be as large as in previous years?—We believe that it will be quite as large.

96. With regard to sales by auction, when that plan was under consideration before, was any method devised by which you could prevent collusion at public auctions?—I never heard of any plan that I thought could accomplish that object. Various schemes were propounded, but none that I thought would accomplish the object; and it cannot be supposed that they would, because otherwise the Government would have adopted them.

97. Mr. *Spooner.*] When you speak of the prices in China, do you mean the barter prices or the money prices?—Those are the prices in the settlement of the account; for instance, in the sale of an article of British manufacture, and the purchase of tea, those are the prices called the China prices for the article. It is not the barter of an article of British manufacture against tea without the intervention of a price, but the price is fixed on both sides; the price of the manufactured goods on the one side, and the price of the tea on the other; and those are the prices fixed for the tea. If we were sure of bringing a bill home, and those prices were given for the tea, the probability is, that the adventure would answer; but when we have to sell it here, we find that this process will not do.

98. Mr. *Moffatt.*] With reference to the increased consumption of sugar not corresponding with the increased consumption of tea, is it within your knowledge whether, from the year 1832 to 1840, there was a free and unrestricted supply of sugar to this country, so that if there had been an increased demand for the use of sugar, it would have been supplied; or were we restricted to the supply from our colonies?—We were restricted.

99. *Chairman.*] Will you cast your eye over that paper, which gives you the prices of sugar since 1833 (*a paper being shown to the Witness*); and will you state whether, on looking over that table, you find that the prices of sugar were increasing during that period or not?—It is quite clear that it was owing to the diminished supply from the West India colonies that the introduction of East India sugar was effected. There was a high price, arising from the diminished quantity, and then came the Indian sugars, and benefited by the high price.

100. Will you say, on looking over that list of prices, whether prices were rising during that period?—They were rising, because the surplus in the West Indies was gradually diminishing.

101. Will you state what the prices were?—In 1832 the prices rose from 23*s.* 8*d.* to 27*s.* 8*d.*, to 29*s.* 8*d.*, to 29*s.* 5*d.*, to 33*s.* 5*d.*; then they got to 40*s.* 10*d.*; then they got down again to 34*s.* 7*d.*, 33*s.* 8*d.*, and 39*s.* 2*d.*; and in 1840, 49*s.* East India sugar was introduced in 1836.

102. Mr. *Brown.*] Would not that rise in the price of sugar have the effect of preventing an increase in the consumption of sugar, notwithstanding the consumption of tea was increasing?—Certainly.

103. *Chairman.*] It would be a check to the consumption of tea in all its branches?—Yes.

104. Mr. *Baring.*] Do you mean to say, that looking at the Table from which you have read, you believe that the increased consumption of tea has produced any very considerable increased consumption of sugar?—I never stated that I knew the fact; I believe that that would be the consequence; a rise of price might follow from an increased demand. All that I can say is, that sugar was rising from other causes during the period in question, and that that rise was so large that any improvement with reference to tea would have little or no effect upon the sugar.

105. In 1826, 1827, and 1828 the prices of sugar were ranging at 30*s.* 7*d.*, 35*s.* 9*d.*, and 31*s.* 8*d.*; now, comparing those with the prices in 1834 and

1835,

1835, the prices were lower; about 1834 and 1835 the consumption of tea had very considerably increased; have you looked at that point, and ascertained whether the consumption of sugar had at all increased?—I think those facts I mentioned. It was in the year 1834 that the East India Company's exclusive privileges terminated, and it was from 1836 that we date the increase; and then an increased quantity of sugar came in from the East Indies.

106. In 1837 and 1838 the prices were 34 *s.* 7 *d.* and 33 *s.* 8 *d.*, the other prices, in 1827 and 1828, having been 35 *s.* 9 *d.* and 31 *s.* 8 *d.*; was there at that time any considerable increase, which you attribute to the increased consumption of tea?—I am quite unable to analyze it; I can only say that during the period in question, sugar did rise in price from various circumstances; whether the consumption of tea had any effect upon the sugar market, I cannot state. I can only reason that, as in the case which I mentioned with regard to the Isle of Man, it had some effect.

107. Dr. *Bowring.*] Do not you imagine that of ten consumers of tea, nine employ sugar if they can get it?—Yes.

108. Mr. *Cardwell.*] Are you aware whether contemporarily with the late increase in the consumption of sugar, there has been a very nearly corresponding increase in the consumption of tea?—They run parallel, no doubt; but it should be borne in mind that the low price, and consequent increased consumption of tea, assists the consumption of sugar more than the low price of sugar affects the consumption of tea; tea being but one of many articles in which it is used, an increased consumption of sugar will not necessarily induce a corresponding increase in that of tea; but, on the other hand, an increased consumption of tea would assuredly lead to a corresponding increase in the demand for sugar.

109. Sir *G. Staunton.*] You stated in the early part of your evidence that it was your decided opinion (and you quoted Mr. Fortune in illustration of your opinion), that the qualities and characters of teas were not sufficiently distinguished to make it desirable for Government to revert to the former plan of a discriminating duty upon different qualities, and that it would open a door to fraud and collusion, and that therefore the only practicable and safe plan was to adhere to the plan of uniform duty now established?—I think what I said was this, that having the authority of Mr. Fortune that the tea all came from one plant, and that the different appearances of the tea in this market, which we call different genera, almost entirely arise from the manufacture in China. I believe that the moment there was a distinction established by the Custom House here between the qualities of tea, that distinction would be overcome by the manufacture and management in China, so that even if there were only two classes, and a broad line drawn without the possibility of one running into the other, still you are open to an alteration taking place in China, by which that object might be defeated.

110. But in point of fact the discriminating duty did not work well, and the Government found it expedient to resort to an uniform duty?—There is no doubt that in 1835 and 1836 that was established, for there was the greatest complaint on all sides of the manner in which the duty had worked, and it was the result of the evidence taken before the Committee of the House of Commons, as well as the general opinion of the Government and of the public, that an alteration was absolutely necessary.

111. *Chairman.*] What part does the opium trade play in the tea trade?—It is in the trade between India and China the means by which the tea was heretofore paid for, and is still paid for by the import of opium from India into China, which establishes a fund by which the payment for the tea can take place. By bill transactions, either through Calcutta or through London, payments are effected to a very large extent.

112. Is there any silver payment for opium?—Whenever the balance of the export from China requires the payment of silver, that has been the necessary mode by which the balance has been settled, and the consequence of it was a great abstraction of Sycee silver from China, which was one of the chief causes of the late hostilities.

113. Is it still going on to a considerable extent?—I think not to any great extent at the present moment. Some gentlemen recently from China will be able to state that.

114. Mr. *J. A. Smith.*] Is it not the invariable practice in China to sell opium for dollars or Sycee silver?—Yes. Of course a trade that is not a legal

Sir *G.G.de H.Larpent*, Bart.

15 April 1847.

trade is one that obliges you to have the means of payment in a small compass, for the purpose of paying for it immediately.

115. If it is true that opium is always sold for silver, would not that be contradictory to the former part of your evidence, that the opium went to pay for tea?—I did not mean to say that opium was paid for tea, but that the trade between India and China required specie payment for opium. If what actually passed in payment for opium were dollars, those dollars must be obtained in some way, and the precise arrangement was such, that in the trade between the countries, the balance due by China to India, for opium, was paid by the balance due from England to China for tea. It is a commercial arrangement that takes place.

116. *Chairman.*] The dollars paid for opium would be the basis of a bill transaction?—The party who brings the dollars must get the dollars of some one, and it is only a mode of payment. If China owes India for opium, and England owes China for tea, in the settlement of the account between the parties a balance is struck; and whatever balance there is, must be paid in precious metals.

117. Mr. *Matheson.*] You say that between the parties the balance is struck; would not it be more correct to say that the balance is struck in the general course of the trade; in point of fact you have not heard that the custom of the trade is to make a direct operation between the tea merchant and the opium merchant a matter of exchange of tea for opium?—No.

118. The proprietor of the opium sells it for money?—Yes.

119. And the proprietor of the tea sells it for money, so that the equalization takes place in the general course of trade, not as a direct transaction between merchant and merchant?—Certainly; that is what I meant to state throughout the whole; that it is a general balance in the settlement of accounts between the three countries; and when I used the expression that tea is paid for by opium, I meant in the general trade of the country.

120. Dr. *Bowring.*] Nobody gives a bale of long ells for so many pounds of tea?—No; you do so in the barter trade, but you do not do so in opium.

121. Mr. *J. A. Smith.*] Are you aware of the difference of practice in the purchase of the high-priced and low-priced teas in China; that the higher and more valuable qualities of tea are never bought upon barter, but always bought in coin?—I am not aware of that; but I doubt whether that applies to the main article of tea, which is the Congou tea; I believe that to be bought very largely in barter.

122. The question refers to the higher qualities of Congou tea?—My impression is, that a very considerable barter trade does take place upon the Congou production; but I dare say when it is a considerable exercise of judgment in discriminating the quality of tea, the party would not go to the rude mode of barter.

123. Mr. *Ewart.*] Has not the import of silk from China very much increased?—It has.

124. Has not there been a considerable increase in the import of sugar from China?—There has been some sugar imported from China also.

125. Dr. *Bowring.*] Has quicksilver lately been an article of import from China?—I am not aware.

126. Mr. *J. A. Smith.*] Are you aware that silk is again an exception to the case of barter?—Of course it is. A valuable article like that is always bought for coin.

*Samuel Gregson,* Esq. called in; and Examined.

*S. Gregson*, Esq.

127. *Chairman.*] YOU are Deputy Chairman of the East India and China Association?—I am.

128. What is your connexion with the East India and China trade?—Acting as East India agent chiefly for the sale of teas and other goods from China, and for the export of goods from this country.

129. You have heard the evidence given by Sir George Larpent; are there any points to which you would wish to add either documents or statements of facts?—I will state a few points which occur to me, particularly with regard to some questions that have been asked. First, I would allude to the general export and import trade with China; I will take the export trade first, for the year

year 1845, for I can give the result of that year. The exports that have gone to China in 1846 we can only estimate. Taking the exports to China in 1845, ending the 5th of January 1846, (this is a Parliamentary Return,) the declared value is 2,394,827 *l.*; the loss upon those exports, I think, may be taken at about from 300,000 *l.* to 400,000 *l.* I think it would be about 15 to 20 per cent., that is, taking them at the valued price of the sale in China.

130. How do you get at that result?—I get at that result by taking the sales from China, and the dollar at about the value of 4 *s.* 4 *d.*

131. What is the ordinary exchange?—About 4 *s.* to 4 *s.* 4 *d.*: the fact is, that no money is received for those goods. The price is fixed on the one side for the goods, and on the other for the tea.

132. Mr. *J. A. Smith.*] Are you aware what reduction there would be in the price obtained if money was actually paid for those goods?—I should think about 15 per cent., if we received money instead of barter. Then with regard to the imports, the quantity of raw silk imported into this country (this is for 1845 also) was 1,169,643 lbs., and of tea 50,714,657 lbs.; with a number of smaller articles, canes, cassia, rhubarb, and other things, the total value of which may be perhaps 4,000,000 *l.*

133. Dr. *Bowring.*] Is that also estimating the dollar at 4 *s.* 4 *d.*?—Yes; but of course the value estimated here is estimated at the market price. The loss upon tea I take in the same way. Taking the tea more particularly, at 50,000,000 lbs., the value here at 1 *s.* a pound would be 2,500,000 *l.* I take the loss upon that tea at from 17 to 20 per cent., inwards; and I take the loss upon the outward investment and the loss upon the inward investment together to amount to about 35 per cent.; that is a state of things that cannot be continued, either for the revenue or for the trade; but with regard to the losses upon teas, I have a paper here showing the absolute loss upon several parcels which my house sold. Taking the exchange at 4 *s.* 4 *d.*, the out-turn of the teas varied; some being of a very inferior quality, gave a return of from 2 *s.* 11 *d.* a dollar to 4 *s.*; I take the average at 3 *s.* 9 *d.*, which is a very full average, and the loss was about 14 or 15 per cent. I have three cases here of actual tea shipments to the care of my house from Chinese merchants, from which the Committee may see that the Chinese are absolutely sending teas here and sustaining a very severe loss. I had a parcel of 723 chests of Congou tea, by the "Hindostan." I will give the cost in sterling, and the result in sterling. The cost of that tea at the same exchange, 4 *s.* 4 *d.*, was 5,431 *l.*

134. How was the cost ascertained?—By the invoice; that was the barter price.

135. It was sent home on Chinese account?—The house that shipped it made an advance upon that price; it was the fair market price; the cost in China was 5,431 *l.*, and the sale price in London was 3,773 *l.* There is another parcel by the John Cooper, 696 chests of Congou tea, which cost 3,007 *l.* and sold for 1,988 *l.* There is another of 1,372 chests, by the Adelaide, which cost 5,142 *l.*, and the proceeds were 3,892 *l.* I will just mention the prices of the teas in the sales, that it may be seen that they are not charged excessively; the first is fine Congous; that may be considered rather a high price at 37 taels; the next was good Congous at 22 taels; and the third parcel at 18 taels and 20 taels, rather moderate prices. Reducing those losses to per-centages, the loss upon the fine teas is 30 per cent.; the loss upon the "useful and good" teas 33 per cent; and the loss upon the third parcel 24 per cent. Therefore we are justified in stating the loss at from 13 to 24 per cent., as we put it; those are teas consigned to this country from Chinese merchants, and I mention it to show the discouraging nature of the trade as far as the Chinese are concerned.

136. *Chairman.*] You presume that the trade cannot continue upon that footing?—I presume that those gentlemen will not send any more unless they get a better price.

137. Mr. *Brown.*] Are the Chinese in the habit of getting advances upon the tea which they send to this country?—I believe invariably.

138. Dr. *Bowring.*] The persons making advances would take care that the advances were not inordinate?—Of course, for their own security.

139. Mr. *Moffatt.*] To what extent do they advance?—I think they advance from three-fourths to four-fifths.

140. *Chairman* ] Then the advances would not be covered in those instances?—The advances in one or two instances were not covered.

*S. Gregson*, Esq.

15 April 1847.

141. Mr. *J. A. Smith.*] The year 1845 was not the first year in which losses took place upon the exports, was it?—No, neither upon exports nor imports.

142. Can you give any reason for so singular a proceeding, as that for several years past the trade has continued with perpetual losses upon it?—There are several reasons. The manufacturers reason in this way, that as the losses have been considerable the exports fall off, and therefore they may export again. They are generally deceived; because their neighbours, taking the same view, the exports are kept up, and the loss continues.

143. *Chairman.*] Was there not one of those years in which there were profits made upon the manufactures, which compensated for the losses upon the tea?—It is difficult to say; no money is received for the manufactures; it is merely a barter trade. Probably, if you got a favourable bill of exchange, you might secure a profit upon the outward investment; but that is very uncertain.

144. Mr. *J. A. Smith.*] The loss upon the exports, conducted as they are, would come to nearly 40 per cent.?—The loss upon the imports and exports together.

145. There has been no fluctuation in prices equal to that in China?—There was a period when for a few months, taking the barter price, it did apparently give a little profit upon the exports.

146. Uniting the two losses together, has there been, at any time of late years, such a fluctuation in the price of the exported goods as 40 per cent.?—No, except once or twice in twist.

147. There has been no period, of late years, in which the price obtained for our goods exported from China would cover the loss upon the export and upon the import?—No; upon both together there has been constantly a loss; but you must separate the trade. There have been occasions when tea has been imported at a profit, the importer only being concerned, he not being concerned in the export of goods. By his selections of tea at particular periods he has made a considerable profit.

148. Taking the average of the general course of the trade, do not you conceive that for several years past the course of the trade has been this, that the loss sustained has been very considerable upon the exported goods?—No doubt of it.

149. Can you give any reason why, under such a state of things, the export should continue?—The manufacturers are often so situated that they continue their exports in spite of any losses.

150. Does not that also apply very forcibly to the returns, that the manufacturer is under a necessity to get his payment in tea at a very inadequate price?—No, I do not think that tea has been at so much sacrifice, though the price in this country has been greatly diminished by the large quantity that has come in at so heavy a duty.

151. You think that the returns have been realized without much reference to the cost price?—Yes.

152. Dr. *Bowring.*] You think, upon the whole, that the commercial transactions with China have not been profitable?—I think not; I consider that for some months past it will be seen, in the course of the returns for 1847, that the exports are falling off very much indeed, and therefore we lose both upon the exports and upon the imports; we cannot go on to the same extent with this trade. I now come to the stock and value of tea, to show how we stood on the 1st of January in this year. The stock of tea consisted of about 48,500,000 lbs. I have got the value of the various qualities, but all round it was about 1 *s.* 2 ⅛ *d.* per pound. This is the whole stock in the United Kingdom. Of that stock, out of the 48,500,000 lbs., 31,000,000 lbs. is Congou tea, the chief consumption of the country, worth only 1 *s.* a pound. I take the duty upon this stock, as it stood on the 1st of January, at 2 *s.* 2 ¼ *d.*, to be 5,400,000 *l.*, the market value being 3,000,000 *l.* Taking this tea at 1 *s.* 2 ⅛ *d.* per pound in bond, the duty at 2 *s.* 2 ¼ *d.*, and the dealer's profit at 1 *s.*, it makes the cost to the consumer 4 *s.* 4 ⅜ *d.* per pound duty paid. This tea, supposing it to be sold at 4 *s.* 6 *d.* a pound, would be swelled up to cost the public 10,900,000 *l.*, being worth only in bond 5,000,000 *l.*; that is about 3 $\frac{4}{10}$ *d.* per ounce; but much of this tea is sold at from 4 *d.* to 4 ½ *d.* per ounce in the country, or at the rate of 3,000,000 *l.* to 4,000,000 *l.* additional to the 10,000,000 *l.* before it reaches the consumer. Tea at a duty of 2 *s.* 2 ¼ *d*, taking the

the value in bond at 1 *s.* 2 ½ *d.*, pays a duty upon the value in bond of 185 per cent.; and taking it at 1 *s.*, it would be about 218 per cent.

153. Does the dealer's profit of 1 *s.* take in all the profits between the wholesale merchant and the consumer?—Yes, and the profits upon the duty also. I take the bond price at 1 *s.* 2 ½ *d.*, and the duty at 2 *s.* 2 ½ *d.*, and allowing the dealer's and retail profit at 1 *s.*, it makes the cost 4 *s.* 4 ¾ *d.* I have assumed the selling price in retail at 4 *s.* 6 *d.*

154. You assume that he has 1 *s.* upon 3 *s.* 6 *d.*?—Yes, taking profits upon the bond price and upon the duty; that is, about 30 per cent. Then I will work it out in the same way, allowing the same profit if the duty were reduced. I will take the first cost to the wholesale dealer at 1 *s.*, and that he pays a duty of 1 *s.*; his profit of 10 per cent. upon the price would be 1 ¼ *d.*, and 10 per cent. on duty 1 ¼ *d.* Then his selling price to the shopkeeper would be 2 *s.* 2 ½ *d.* Then the retailer's profit, which on 3 *s.* 6 *d.* was 1 *s.*, would be 8 *d.* on 2 *s.* 2 ½ *d.*, which would make the retail price 2 *s.* 10 ½ *d.*, instead of 4 *s.* 6 *d.*, allowing the same rate of profit to the dealer.

155. *Chairman.*] Therefore the difference is to the consumer, not merely the shilling to the revenue, but the profits upon that shilling?—Yes; allowing the dealer the same profit, taking the tea at 3 *s.*, the retail value would be only 7,300,000 *l.* instead of about 11,000,000 *l.* to the consumer.

156. About what increased price of tea would put the trade on a sound footing and reimburse the merchant for his outlay?—Of course, as I have stated the loss to be about 20 per cent., it would be about 1 *s.* 2 *d.*

157. Mr. *Matheson.*] In point of fact, it is seldom that those things are adjusted by any exact rule; it is matter of accident?—Just so; I am only speaking of the general results, of course. I will go on to show that the duty on tea, compared with other articles, is much heavier. Take coffee, worth 54 *s.* a hundred weight; the duty is 4 *d.* a pound, which is about 70 per cent. Take cocoa, worth about 40 *s.*; the duty is 1 *d.* a pound, which is about 25 per cent. The duty on sugar, taking the bond price at 35 *s.*, is 14 *s.* a hundred weight, which is about 40 per cent. Taking tea at 1 *s.* a pound, the duty is 218 per cent., which shows, with reference to other similar articles, that tea pays much more than they do. Following up the calculation with regard to coffee, it appears that in 1800 the consumption of coffee was only about 750,000 pounds, when the duty was 1 *s.* 6 *d.* The consumption in 1846 increased up to 36,000,000 of pounds, when the duty was reduced to 4 *d.*

158. *Chairman.*] Have you the prices at the corresponding value?—I have not got the prices; but the prices were much lower. The duty at 1 *s.* 6 *d.* was 52,000 *l.*; the duty at 4 *d.* was 600,000 *l.*; so that coffee has increased from less than 1,000,000 lbs. up to 36,000,000 lbs., as the duty has been reduced. I wish to show that though tea has increased very much, it has not increased in the same proportion. In the same year, 1800, the consumption of tea was 23,271,799 lbs.; and in 1844, which is the last Parliamentary Return, it was 41,363,770 lbs., showing an increased consumption of about 100 per cent. in the present century, the duty having been heavily increased; but coffee, upon which the duty was diminished, not only doubled, but increased in the same period 5,000 per cent., which for tea, at the same rate, (and it is a more general beverage,) would give a consumption almost beyond calculation. Tea in this country is a much more favourite beverage than coffee; more universally in use; and therefore the assumption, as I shall show, when we come to the revenue, is that the quantity would be doubled. It is a very moderate computation, if you have reference to the immense increased consumption of coffee.

159. *Chairman.*] Do not you consider that, independently of the mere increase of population, there is a very great increase in the comfortable classes, far beyond the mere increase in the population?—Far beyond. I thought it desirable, when I showed the relative amount of duties on other articles, to take out also the relative duty on the value of malt. Taking malt at 71 *s.* per quarter, and barley at 50 *s.*, and the duty at 21 *s.* 8 *d.*, the duty on malt is only 40 per cent., and therefore, while taking the duty on tea at 1 *s.* a pound, tea would pay 100 per cent. If the duty were reduced in the same proportion as malt, the tax upon it ought only to be 5 *d.* a pound.

160. Mr. *Ewart.*] At a 1 *s.* duty tea would still stand higher than other articles?—Tea would still stand at 100 per cent., other articles being much lower.

S. Gregson, Esq.

15 April 1847.

161. *Chairman.*] One hundred per cent. upon the price in bond here?—One hundred per cent. upon the price in bond here. With regard to the revenue, I have taken the table as it stood in 1844, at 2*s.* 2¼*d.* per pound; the present duty on 41,363,770 lbs., at 2*s.* 2¼*d.*, produced 4,524,193 *l.* To yield the same sum at 1*s.* a pound it would require a consumption of about 90,480,000 lbs. The present consumption is estimated at about 1 lb. 10 oz. per head, which I consider exceedingly small with reference to the general consumption throughout the country, for the allowance, I understand, even for servants who are placed in establishments upon board wages, is about a quarter of a pound per week, which would allow about 13 lbs. per annum. We only allow a consumption of double to make up the same revenue at 1*s.* Again, when the differential duties were altered in 1834, the revenue received was only upon 34,969,651 lbs., and the amount was 3,589,361 *l.*; and therefore we say, though there may be some immediate reduction of the revenue for a time, there is a surplus of fully one million over and above any amount that was expected to be collected from tea, when we made arrangements with the Government for an alteration of the duties from an *ad valorem* to a fixed duty; and, also, we say that an increase which we assume in tea of 45,000,000 lbs. would give an increase of 4 lbs. of sugar for every pound of tea, which would make an increased consumption of sugar of 80,000 tons, which would give a duty annually of 1,125,000 *l.* So that the revenue would in that way be made up to what it is now, and it would also give employment to about 40,000 tons of additional shipping for tea. There is one point that I should mention with regard to the immediate falling off of revenue. I do not anticipate that any great sum would be wanted for that; for assuming that we have a stock of 50,000,000 lbs., and that our usual import is 50,000,000 lbs. more, we have the whole amount of 100,000,000 lbs. That will be sufficient to give, in the first year, the whole revenue as it stands at present. No doubt the price would increase with a diminished stock; but still, if the price rose a little, it would be a stimulus for fresh imports; so that we should have our stock running rather low the first year with some additional price, but we should have a sufficient quantity, upon which the revenue would be as much as it is at present. With regard to the supply of tea, also, it is a good deal matter of opinion as to the supply of a much larger quantity. In the conversations I have had with persons from China, I have got every possible information with regard to the supply. A gentleman whom I saw, and who has been a very long time in China, considers the supply to be almost without limit; that it is only necessary to give the Chinamen sufficiently early notice, in about February or March, that seventy or a hundred millions will be required for the ensuing season, and that he does not doubt that it will be brought down as readily as the supply we now receive.

162. Have you any estimate of what China consumes?—We assume it to be about two or three pounds a head, which, upon a population of 350,000,000, would be about a thousand millions of pounds. I think that is a very moderate amount, considering that they drink tea at all hours of the day; and our export of fifty millions is only five per cent. upon that large quantity.

163. Viscount *Jocelyn.*] Do the prices of tea fluctuate in China?—They do, but not very much. I saw a gentleman to-day, who left China in January, and he told me what the prices were then. The best contract Congou prices in the Company's time were 28 to 29 taels, certainly not higher than 30 and 31; but he said that when he left, similar teas could now be contracted for in China at from 24 to 25 taels, and other qualities of teas in the same proportion. I take the dollar at 4*s.* 4*d*; a tael is 6*s.*

164. Since the opening of the trade, is it found that the same character of tea differs in price at different ports?—For some time tea was cheaper at the northern ports, but they soon assimilated one to the other.

165. Sir *G. Staunton.*] Do you consider that the fifty millions of pounds of tea, which might be supplied upon an increased demand, would be part of the produce raised for the native market, or a fresh produce raised for the express purpose of meeting the English demand?—No doubt, in the first instance, we shall draw part of the native produce; but I believe, from the best information I can collect, that there would be a fresh production to supply that demand.

166. Do you believe that what is produced for the native market would answer

answer for the English market?—Yes, if dried and manipulated in the way required for the English market, and it would be easy for them to do that.

167. Mr. *Brown.*] Have you any knowledge between what latitude and longitude teas are grown suitable to the English market?—It has been stated that they grow best between the 25th and 33d degrees of latitude, and 115th and 122d degrees of east longitude.

168. Dr. *Bowring.*] Can you state what is the cost of the coasting transport from Shing-hae to Hong Kong or Canton?—The teas are brought direct from Shing-hae. This gentleman told me this morning also that he was informed by a very respectable tea merchant, that any supply could be produced on timely notice. There is another point that has been alluded to with regard to a differential duty; I can mention one or two cases, which will show that it is impossible for the Government inspectors to fix the qualities according to a scale; they cannot tell where the low quality ends and the superior begins. It was tried in 1834, and 1835, and the Government inspectors made many mistakes. There was a chop of tea divided in China, and sold to two parties; one portion came to a house in London, and paid a duty of 1*s.* a pound; another portion came to another house in London, and was charged 2*s.* 2*d.*; and it is remarkable that the gentleman who paid 2*s.* 2*d.* had been in China, and though, from his knowledge of the tea and chop marks, he clearly proved them to be portions of one chop, he could get no redress. There was another case also of some green teas that were prepared in China to a particular order; they were as like as 2,000 pieces of calico made by one manufacturer are to one another; they were packed by the Hong merchants, and taken away in various parcels; some sent to London, about 500 to Liverpool, and all kinds of duties were levied upon them. Some in London and some in Liverpool paid 2*s.* 2*d.*, others 3*s.* The Customs would not listen to any complaint. There was another case where a quantity was imported, half into London, half into Liverpool; at one port the duty charged was 1*s.* 6*d.*, and at the other 2*s.* 2*d.*, and it was not till after many representations for two years to the Treasury, that any redress was obtained. The only differential duty that could be established would be between black and green; but this would place the higher duty upon Twankay tea, of which the consumption is very small, and which is not more costly than Congou or black tea upon the average. With regard to fixing any value upon those teas by public auction, it would be wholly impracticable, because a door would be opened to all kinds of fraud; means would be taken at the public sales to fix a false value for the purpose of regulating the duty.

169. Mr. *J. A. Smith.*] Might you not add a further argument to the facts which you have stated, arising from the disputes which have arisen with regard to the quality of teas sent home from China; have there not been many cases in which orders having been sent for particular qualities of tea, complaints have been made of the non-execution of the order, because the tea was not of that quality?—I do not think much of that, because it is difficult to execute an order according to the quality, if the price be unfavourable when the tea arrives, which it has been for some time.

170. Mr. *Brown.*] Are not you aware that during the time that an export duty existed on British manufactures going from this country, if the officers thought that they were valued too low they had a right to take them, and allow the exporter 10 per cent. upon his price. Now could not there be the same check upon the import of teas in bond. If the officer had the power of taking those teas at a profit of 10 per cent., could any combination then take place to undervalue the teas?—I do not think it would act at all, because the officers are very incompetent to value tea. Besides, even the best description of tea varies very much in value; it seems to vary as much as the taste of wine with different persons.

171. Would not a check of that kind prevent any serious fraud?—I am afraid not.

172. Dr. *Bowring.*] Is the number of brokers who are really well informed as to the qualities of tea very considerable?—Very considerable; that is, according to the quality of tea suited to the taste of this country. The quality of tea as described and characterized by the brokers here, does not always correspond with the description given of it in China.

173. Are there a great number of persons engaged in the tea trade whose

*S. Gregson*, Esq.

15 April 1847.

judgment can be trusted as to the quality of tea?—Yes; but even those who are the most competent men vary very much.

174. Sir *G. Staunton.*] Do they not also differ in the denomination they give to the tea?—They do not differ so much in the denomination as in the quality.

175. Mr. *Baring.*] The objections which you have mentioned are principally to the old rated duty?—There was a classified duty; on Bohea, 1 *s.* 6 *d.*; on Congou, 2 *s.* 2 *d.*; and on Souchong, 3 *s.*

176. The difficulty there was not in ascertaining the value of the tea, but to what class the tea belonged?—Yes.

177. That objection would not exist to an *ad valorem* duty?—Not that precise objection.

178. Have you ever considered whether it would be possible to have a combination of a fixed and an *ad valorem* duty; say a fixed duty to a certain amount, and then an *ad valorem* duty of a smaller character?—I do not think it would work. If you fixed a low duty upon the lower qualities, you would encourage the importation of a vast quantity of trash, which the people of this country are better without. By fixing a medium duty, as it is now, you rather encourage the importation of the better qualities of tea.

179. Your objection is to the principle of an *ad valorem* duty?—And to the working of it.

180. But even supposing it were equally easy to work, you would object to the principle; you would rather have a rated duty?—I would rather encourage the importation of a sound and proper article, than of an inferior article.

181. *Chairman.*] Is not there always a disposition with that kind of duty to lower the quality just below that amount, rather than to have a better article?—Certainly.

182. To have the highest value that they can, paying the lowest duty?—Yes.

183. Dr. *Bowring.*] Would it not be possible to practise the same trick that was practised in wine, namely, deteriorating its quality for a certain purpose, and then getting rid of the admixture which had been introduced for that purpose?—I am afraid that if you were once to adulterate the quality of tea, you could not restore it again, for it is a most delicate article.

184. Mr. *Cardwell.*] The objection to a rated duty was, that whenever the article nearly approached the limits between the lower duty and the higher duty, there was a dispute as to which side it ought to belong to?—No doubt.

185. In the case of an *ad valorem* duty, would not a dispute be very likely to arise upon every parcel of tea that came into the country?—Yes.

186. So that the difference between your objection to a rated duty and your objection to an *ad valorem* duty would be, that the difficulties which were occasional and exceptional in the first instance, would be uniform in the second?—Upon every importation.

187. Mr. *Brown.*] That is assuming that those valuations were made by the Custom-house officers to charge the duty upon?—Yes.

188. Assuming that they were sold by auction, you would think that that was equitable, provided it could be carried out, and provided it would not deteriorate the quality of the importation?—In putting up teas to auction an arrangement might take place between the buyer and the seller, that those teas shall be sold at a certain price to establish the duty.

189. Mr. *Ewart.*] Supposing it were done as it was under the East India Company?—If you put all the teas into one hand again, that is another thing.

190. Could you establish such a system in violation of the present practice, of selling by private negotiation?—No.

191. Mr. *Cardwell.*] In case the mode of sale by auction was adopted as a mode of taking the *ad valorem* duty, would it not be necessary, at every port at which tea was cleared, to have a class of persons acting on the part of the Customs qualified to form an opinion as to the right value of the tea sold by auction?—It would be necessary if you could find such a class, but you cannot.

192. In your judgment it would be impossible?—Impossible.

193. And that difficulty would be increased in proportion to the number of ports at which tea was cleared?—No doubt; instead of having one tasting inspector you must have a number.

194. Mr. *Brown.*] Where would be the difficulty, when you can go to Liverpool in six hours, for the same inspector to inspect in London to-day, to inspect in Liverpool to-morrow, and at Glasgow the next day?—With all the advantages of railways, it is impossible for one man to inspect teas with such rapidity.

195. *Chairman.*] Is it not expedient for the convenience of trade that sales should be able to be made at all times?—No doubt a system of public sales would entirely exclude me from private sales.

196. You believe that the trade could not be carried on advantageously upon the system of periodical public sales?—No.

197. Is it, in your opinion, only by a system of periodical public sales that you could secure the Government against fraud with an *ad valorem* duty?—Only by that.

198. Dr. *Bowring.*] And even then very imperfectly?—Yes.

199. Mr. *Baring.*] You are aware that there are now a considerable number of articles upon which the duty is *ad valorem*, and that in those cases in which the duty is in doubt between the Government officer and the importer, there is the power of calling in two parties, upon oath, to give the value of the article?—Yes.

200. What peculiarity is there in tea to prevent your calling in two parties to adjudicate in case of difficulty?—I am afraid that that would be a most circuitous way of doing business. We should only do half the business if we were obliged to consult a public officer every time that we wanted to move a break of tea. Teas come in small parcels of 100 or 200 chests, so that a large cargo of tea would want a hundred valuations.

201. Mr. *Moffatt.*] Assuming that a cargo of tea went to Hull, where there are, perhaps, only two large buyers, what is there under the system which has been suggested to prevent the two buyers there from agreeing between themselves and the importer, and buying that tea much below its value, in order to establish a low duty for the Government?—I do not know anything. I believe that such arrangements were frequently made in the Company's time, when the tea was all in one hand.

202. *Chairman.*] Could that be checked by the power which has been suggested, of the tea, when put at a depreciated value for the duty, being taken by the public officer, with a certain per-centage of profit to the importer?—I do not see how it could.

203. Mr. *Ewart.*] You are decidedly of opinion that it would be an impediment to trade?—Yes.

204. Dr. *Bowring.*] Have you had an opportunity of ascertaining the opinions of the trade generally as to an *ad valorem* duty in combination with a fixed duty?—I should say, having inquired generally of the trade in London, both of the importers, the brokers, and the dealers, that they are all most decidedly opposed to an *ad valorem* duty.

205. *Chairman.*] Should you, as a merchant, be content to have your business confined to periodical sales?—Not at all; I should be very sorry. I should consider it a great disadvantage.

206. Mr. *J. A. Smith.*] Is it true that great efforts have been made by merchants in London and elsewhere, to sell tea by public sale?—They are still made.

207. Is there a general indisposition among the trade to buy at public sales?—A general indisposition. The dealers would rather come and buy by invoice, without having the whole affair exposed to the public.

208. Dr. *Bowring.*] Could the wants of the community be provided for by public sales?—It would obstruct the circulation of the tea very considerably. There is one point I should wish to mention, with regard to the losses upon those cargoes sent by Chinese gentlemen. The accounts rendered showed a pretty heavy loss. Those accounts were rendered of sales in bond; but if they were rendered of sales duty paid, and if they saw that 2*s.* per pound was paid here for duty, it would be an alarming thing in China, seeing that they charge us only five per cent.

209. Does not the amount of duty frequently add considerably to the charges of sale?—It adds in this way: it does not add to the importer's charges, but of course, when tea passes out of the importer's hands into the dealer's, and he pays 2*s.* a lb. duty, he makes his profit upon the duty.

 210. Therefore

*S. Gregson*, Esq.

15 April 1847.

210. Therefore the consumer pays a considerable additional cost on account of the payment of the duty?—Yes; I have already stated that in detail.

211. Mr. *Matheson.*] Are there not tables to denote how much tea, at a certain amount of taels per pecul, costs per lb.?—Certainly. I will hand in such a table for the information of the Committee. Common Congou tea, at 22 to 25 taels, costs 1*s.* to 1*s.* 2*d.* a lb. I have a paper, consisting of extracts containing a summary of the opinions of the consuls at different places, to show that it is chiefly a barter trade. With regard to Shang-hae, which is one of the large ports, it is stated, "In our immense transactions at Shang-hae, there are two prices known in the market; viz., the cash price and the barter price. On the first opening of the port of Shang-hae, some sales of our manufactures were effected for cash; but latterly everything has been done by barter."

212. *Chairman.*] Have you any statement to make as to the profit of the China trade to the shipowner?—He has obtained a rate of freight generally that has been fairly remunerative. We take the freight at 5 *l.* per ton in our calculations.

213. Dr. *Bowring.*] How much the export freight?—At about 2 *l.* The freights are now rising very much. From the smaller quantity of tonnage which has gone out, the shipowner is likely to obtain a larger freight this year; all freights are rising.

214. Mr. *Moffatt.*] Were you rightly understood, that the average cost of Congou tea in China is not more than 8 ½ *d.* a pound?—That was, taking the price of 1 *s.*, and taking off the per-centage of charges.

215. Mr. *Cardwell.*] The Committee have been told that there is a very large proportionate consumption of tea in the Australian colonies; can you put the Committee in a way of obtaining any statistics upon that part of the case?—No, I cannot; the consumption I understand to be about eight or ten times as much as in this country per head.

216. *Chairman.*] When you take the quantity per head in England, you include the population of Ireland?—Yes.

217. Mr. *Ewart.*] Can you give the Committee any information with regard to the increase of the trade in silk?—The trade in silk has varied very much, and very irregularly; it varies from three or four thousand bales to twelve or fifteen thousand bales.

218. Has there been any increase of late?—There has been a very large increase this last year.

219. Sugar?—Sugar has also been imported to a limited amount profitably.

220. Is it increasing too?—Yes, but there has not been much imported till lately.

221. Is there much cassia lignea imported from China?—Yes, but not of much value.

222. Dr. *Bowring.*] Does the duty fall oppressively upon any other article in the China trade except tea?—No.

223. *Chairman.*] You spoke of great losses upon exports; is that universal upon all classes of exports, or are there not classes of exports upon which there have been gains?—Upon some there have been; I took it generally upon the two great articles of cottons and woollens.

224. If you were to analyze still further, and to go to the long cloths, grey and white, which form so large a proportion of the cottons, do you suppose that upon those the losses are as great as they are upon chintzes?—I suppose they are; but there are other parties who will be able to speak of that better.

225. You are not able to go into those particulars?—No, I take the whole trade.

226. Can you state the part which the opium plays in the returns?—The opium is chiefly paid for in bullion, in Sycee silver, but the reports are that it is nearly all drawn out of the country.

227. What becomes of that bullion?—A good deal of it is remitted to India; but silver having been so scarce, I heard of instances of opium being exchanged for silk upon a late occasion, on account of the scarcity of silver.

228. Silk is used in China largely as an instrument of exchange?—Very largely.

229. But now the dollars remitted to China play their part in the payments for manufactures?—I think there are very few dollars sent to China now.

230. What

230. What is remitted from China to India?—Sycee silver. *S. Gregson*, Esq.

231. The silver remitted to India in payment for opium contributes to the settlement of the whole accounts between India, China, and England?—No doubt. The amount of bullion sent from China to the three presidencies in 1843-44, was about 3,700,000 *l.* In the year before it was 2,000,000 *l.*, and in the year before, 1,600,000 *l.* 15 April 1847.

232. Dr. *Bowring.*] What is the value of the whole of the opium imported into China?—I suppose it is about five millions.

233. *Chairman.*] Was not there cotton imported?—Yes, cotton was imported from Bombay; I think about 300,000 bales.

234. What value?—I suppose about 1,000,000 *l.*

235. Dr. *Bowring.*] Do you suppose that the whole of the imports into China from India are paid for in metallic remittances to India?—No; many are paid in bills.

236. Does not a great deal of the money that is paid for opium go to purchase the tea?—Not a great deal.

237. *Chairman.*] What are the exports from China to India?—They are very small; sugar candy and tea; a few small things of no great value, and a few silks.

*William Norton*, Esq. called in; and Examined.

238. *Chairman.*] WHAT connexion have you with the China trade?—My house is a house of agency in the transmission for sale to China of British manufactures and other consignments, and making returns to this country for the account of the parties who consign. *W. Norton*, Esq.

239. Have you been in China yourself?—Never.

240. What is the nature of the information you have to lay before the Committee?—Being a member of the East India Association, I prepared various statistics for the Government, and when several members of the Association waited upon Lord John Russell, I laid before his Lordship various points, elucidating the trade, and derived principally from official documents; and I think I am able to answer a great many points that might be asked. The documents that I have before me were intended to show, first, that an enormous increase in tea consumption may be expected if brought within the means of the great mass of the population, from the very large annual consumption of private families of the middle class, who are in circumstances of competence, even under the present duty, which is estimated at 13 lbs. per head; and the proof that, even in extreme poverty, tea and dry bread is frequently the only sustenance of the poor. That does not depend on statistics much. Then another Paper I have (No. 2) will show that the consumption has varied throughout in extreme degrees in correspondence with the more or less extensive pressure of the price and duty. Upon that point I have a Paper which is of considerable value, being a Return to an Order of the Honourable the House of Commons, of the 11th February 1845, which gives an account of the quantity of teas retained for home consumption in the United Kingdom, the rates of duty chargeable thereon, and the net receipt of duty, from the Customs and Excise.

241. Does it give the prices too?—No. But I would submit, that as the trade was in the hands of the East India Company during that time, the prices of import may be considered as tolerably stationary while the variations of price here were affected by the duty. And there is a remarkable proof arising out of the variation of prices during that time. I take it for granted that the price to the consumer did vary very greatly from the enormous variation that there was in the consumption. In the year 1782 the duty was 55 *l.* 15 *s.* 10 *d.* per cent., and 1 *s.* 1½ *d.* per lb. I find by this official return, that the consumption in that year was 6,202,257 lbs. I may say, that from 1740, the duty had been gradually raised, and the consumption increased before the great rise up to 9,000,000 lbs., but it sank down again, and in 1782 we find it at 6,000,000 lbs., in consequence of the high duty. In 1783 there was a remarkable falling off of from 6,202,257 lbs. to 4,741,522 lbs.

242. Was there not a great deal of smuggling at that time?—It may have been so. I have no doubt that that may have affected it to some extent, but still the change is very remarkable. In 1784 the duty was altered to 12 ½

*W. Norton*, Esq.

15 April 1847.

per cent., and immediately there was an increase of the consumption to 10,150,700 lbs. Now, certainly, there must have been a degree of smuggling then, which does not exist now; but I think it may safely be argued, on the other hand, that tea is a cumbrous article to smuggle. To show the effect of a large duty: in 1803 the duty was 95 per cent. on tea costing more than 2 *s.* 6 *d.*, and 65 per cent. on tea costing less. At that time the consumption was 24,877,450 lbs. The duty continued up to 1818 at 96 per cent. It was then made 100 per cent.; and I find that in 1821 the consumption was 26,754,537 lbs., being, in fact, in 18 years, an advance only of 7 ½ per cent., while the population at the same time, according to the statistical returns, increased 27 per cent. That seems a striking fact, showing that the consumption of tea actually diminished during that time very considerably. I would then take the period of the cessation of the Company's trade. In 1833 the consumption was 31,829,620 lbs. In 1834 free trade began, when, of course, all the artificial profits (if I may so use the term) of the East India Company ceased, and the profits were reduced to the mere ordinary competition of merchants, and the consumption was 34,969,631 lbs. In 1839 the disputes began with the Chinese, and the consumption was a good deal interfered with, as well as the import, and the prices were exceedingly high; common Congou was sold in bond for from 2 *s.* to 3 *s.* a pound, the same tea which is now sold for 1 *s.* or 1 *s.* 2 *d.* a pound, consequently the consumption was considerably reduced again, and did not ever, during those periods, average more than 35,000,000 lbs. From the 1st of July 1836 to the 30th of June 1842, the export from China to Great Britain was 209,171,099 lbs., making an average of 34,861,847 lbs. I find that in 1834 there were 35,000,000 lbs. imported. In 1836 there were 49,000,000 lbs. imported, which is as nearly as possible what I make. In 1837 there were 36,000,000 lbs.; in 1838, 40,000,000 lbs.; in 1839 38,000,000 lbs.; in 1840, 28,000,000 lbs.; in 1841, 30,000,000 lbs.; and in 1842, 40,000,000 lbs. But now I come to a much more steady period, and it shows a very large continued increase of importation. From the 1st of July 1824 to the 30th of June 1843, the imports were 47,855,312 lbs., that is, the exports from China to the United Kingdom. From the 1st of July 1843 to the 30th of June 1844, they were 50,241,428 lbs. From the 1st of July 1844 to the 30th of June 1845, they were 53,959,618 lbs. And from the 1st of July 1845 to the 30th of June of 1846, they were 57,584,561. To show the increase in the importation, in 1841 it was 30,787,796 lbs. In 1842, it was 40,742,128 lbs., making a difference in 1846, that is, in four years, of 17,000,000 lbs. Now I will proceed to show to the Committee that the price in China was remarkably stationary during that great increase. From October to December 1842, the price of Congou was from 14 taels to 30 taels; from October to December 1843, the price was from 16 to 33 taels, taking the whole range of Congou; from January to March 1844, the price was from 13 to 36 taels; the demand for the finer teas had increased, and finer qualities had been brought into the market, which explains the increase of price upon the finer kinds. From October 1845 to March 1846, the price was from 16 to 36 taels; and there were a very few chops of particularly fine teas, such as it was supposed had not been seen before, which sold at 40 taels. This season's export is expected to be fully equal to the last, 57,000,000 lbs., and the prices in October last are quoted at from 16 to 34 taels. But it is very true that since that we are advised of a very material decline in the price of teas in Canton, owing, I presume, to a great indisposition on the part of the merchants to purchase, from the very heavy losses that have been experienced in the last, and one or two of the preceding years.

243. Mr. *Cardwell.*] You said that there was an export of 57,000,000 lbs. last season; then is this supply in the Canton market, which has been sufficient to bring down the price, the surplus beyond the export of the 57,000,000 lbs.? —No; I mean that the losses in this country have been so large the last two or three years, that the limits in the directions for purchase, and the quotations of safe prices, have been so much lowered that there has been an indisposition to purchase in the China market, and the Chinese have at length given way in their prices, and sold at considerably less prices.

244. Mr. *Spooner.*] The same amount has been sold, but at a lower price?—Yes; there was a considerable falling off, but we are now approximating to the same amount as last year.

245. Mr.

245. Mr. *Brown.*] Your remarks go to show the ability of the Chinese to prepare for a larger demand without an increase of price, and that it is only when they are disappointed in that demand that the price falls?—Undoubtedly; I apprehend that the Chinese could, with the notice of a few months, prepare any quantity of tea for the European markets, where it might be considered probable to be required.

246. Mr. *Ewart.*] On what evidence do you ground that?—Upon this; that from all the information that I have been able to obtain from parties acquainted with China, and from what I have read, I have made a calculation of the consumption of tea in China by that part of the population which consumes tea, that is, by the civilized part, living in towns and along the coast, acquainted with comforts and civilization, which may be one half of the population, and the consumption of tea is universal all the day through. I believe it is the fact, that the teapot is never out of use, so much so, that if a party goes into a shop to purchase a piece of silk, he is offered a cup of tea; it is usual, as a matter of ceremony to customers, among people in trade, to regale them with tea at any hour of the day, in the most petty shops in Canton or Pekin, and other large towns; so that I calculate that, among the civilized portion, there may be at least 5 lbs. of tea per head consumed, which would bring it with another calculation to the extent of 1,000,000,000 lbs., as has been given by Mr. Gregson. Now, taking the consumption at 1,000,000,000 lbs. in China, it would be no very difficult matter to subtract from that supply, even were it to increase the price a little, 10 per cent., which would be 100,000,000 lbs. of tea more, and which could be prepared immediately for the European market; because I think it is quite understood, that the tea is the same in a great measure, only wanting the manufacture, which would be necessary for the European market. I think Sir George Staunton states, in his work on Lord Macartney's Embassy, that the consumption of tea is so enormous in China, that if the market for Europe were entirely to fail, he does not suppose it would make the slightest difference in the price of tea in China. Now, taking the argument on the reverse side, and supposing there were an increase of 10 per cent. upon the export demand for tea, I assume that the price need not be raised to the English buyer.

247. Mr. *Harcourt.*] How do you account for the increase of 50 per cent., stated by Mr. Thom to have occurred when the speculations of 1836 and 1837 took place in China; are you aware that he says that in 1836 and 1837 the price in China increased 50 per cent. for tea, which was considered in England trash, and bad tea?—I was not aware that it had increased 50 per cent.; but taking it upon Mr. Thom's authority, the first year the trade paid very fair profits to the importers in England; there was a great rush into the market of buyers in the tea trade; they were led away by false hopes, and gave very large prices for teas, which entailed enormous losses; they made very imprudent purchases. I believe at the end of that season teas were sold at the usual prices, without any advance at all. But the quotations which I have stated to the Committee show that, with an exception of two or three months' duration, the prices of tea in China have not increased since the opening of the trade.

248. Mr. Thom states, that "this was a year of great speculation, both with the English and Americans, and the average price of all the teas shipped off during that season was 33 ¾ taels per picul (nearly a half more than the Company used to pay for their investments), although a large proportion of that year's teas was classified by the trade at home as 'trash' and 'rubbish'"?—I should say, with all possible deference to Mr. Thom's authority, that there is a great mistake in that; I am perfectly certain that there was no such difference in the price from it; I should say that you might fairly deduct 50 per cent. I am quite aware that a large addition was made to the price, but it was only for a very short time.

249. Mr. *Moffatt.*] Are you cognizant of the price which the East India Company used to pay?—No, I am not.

250. Viscount *Jocelyn.*] Are you aware that Mr. Thom was the British consul at Ningpo?—Yes.

*Martis*, 20° *die Aprilis*, 1847.

MEMBERS PRESENT.

| | |
|---|---|
| Mr. F. Baring. | Lord Jocelyn. |
| Mr. Beckett. | Mr. Matheson. |
| Dr. Bowring. | Mr. Moffatt. |
| Mr. Brown. | Viscount Sandon. |
| Mr. Cardwell. | Mr. J. A. Smith. |
| Mr. Ewart. | Mr. Spooner. |
| Mr. Harcourt. | Sir George Staunton. |
| Mr. Hawes. | |

VISCOUNT SANDON, IN THE CHAIR.

*William Norton*, Esq. called in; and further Examined.

*W. Norton*, Esq.
20 April 1847.

251. *Chairman.*] ARE you prepared to furnish to the Committee a statement of the prices of teas in England for a series of years, for the purpose of comparing them with the consumption?—My evidence went a great deal in that line. It was to show that up to the period of the Company's cessation of trade, as the duty had been very high, and the price very high also, owing to the profits of the Company, the consumption had been exceedingly small comparatively; in fact, the consumption fell off from 1803 to 1821, the population having increased 27 per cent., and the consumption of tea having only increased 7½ per cent. I then proceeded to show to the Committee that there was a considerable advance in the consumption in the year 1834, the year immediately following the expiration of the Company's Charter. From that period, for two years, in 1835 and 1836, there were very large speculations in China, in consequence of the 1834 trade having been a good one in England, and the purchases were very considerable; and the import of the two years amounted to 94,000,000lbs. I was reminded by an Hon. Member that there had been a very considerable speculation in that year, and that there was a considerable falling off in the second year, that is, in 1836; but on referring to the imports, I find that in 1835 the imports were 44,300,000lbs., and that in 1836 they were 49,307,000lbs. The great falling off arose in 1837.

252. But what the Committee want to know is not so much the imports as the consumption bearing upon this point?—I am prepared to go into the consumption. After having shown the large increase of imports, and the fixed price during a series of years in China, notwithstanding the large increase of exports of tea from China, I intended to show that the consumption had been affected in this country almost entirely by the prices that were ruling.

253. Are you now prepared to state to the Committee the grounds upon which you rest your opinion that the increase of consumption in this country will go on in proportion to the diminution of price?—I am. I will beg leave to read the total amount that paid duty in each year, from 1834 up to 1846; showing that during the period of hostilities with China, when the prices often were exceedingly high, reaching even 3*s.* per pound for middling Congou, as the prices rose so the consumption declined; and as the prices declined, so the consumption rose. In 1833, that was from the Company's time, the total amount that paid duty was 31,829,620 lbs.; in 1834 it was 34,969,651 lbs. This varies in some slight degree from those two years, in my last examination, because I took it from a different authority. This is an authority which I believe to be a very good one, and which will no doubt be supported by the evidence of gentlemen who gave it. It is from the statistics kept in the trade. In 1835 the deliveries were 36,574,004 lbs.; in 1836 they were 49,142,236 lbs. But I must explain to the Committee the reason for that enormous increase. It was originally decided by Her Majesty's Government that there should be a differential duty, that is, that

Bohea

Bohea should pay 1 *s.* 6 *d.*, and so on. It was strongly urged on the Government at the time, by a committee of which I had the honour to form one, that the duty should not be differential, for various reasons that were stated; but the Government determined that the experiment should be tried. It was an anxious desire, I am enabled to say, from having heard my Lord Grey, my Lord Auckland, and my Lord Glenelg at the time express it; it was an anxious desire that the lower class of teas should be charged with a lower duty in consideration of the poor. The experiment was tried, but at the end of 12 or 18 months it was decided that after a fixed period the duty should be altered, and that Bohea and Twankay should be charged with the same duties as Congou. That fixed period was in June 1836; but in order to entitle parties holding Bohea, of which there was a very large stock in the country at the time, to the privilege of continuing the 1 *s.* 6 *d.* duty, it was decided that all parties holding Bohea should immediately pay up the whole duty into the Treasury; the consequence was, that an enormous amount was paid into the Treasury; and, as the duty was paid, the teas were taken away.. That forms the reason why, in 1835, the deliveries were only 36,000,000 lbs., and in 1836 they were 49,000,000 lbs. But that imported stock, which was certainly not consumed in that year, may account in some measure for the falling off in the three or four subsequent years, as a great deal of that tea entered year by year into consumption, in addition to what appears to have been delivered. I find that in 1837, the amount that paid duty was 30,625,206 lbs.; in 1838 it was 32,351,593 lbs.; in 1839 it was 35,127,287 lbs.; in 1840 it was 32,255,628 lbs.; in 1841 it was 33,675,667 lbs. In the last two years the prices were exceedingly high in consequence of the contest with China, and Congou, which is now selling at 1 *s.* 2 *d.*, sold then at 3 *s.* per lb.; consequently a limited consumption took place, which is one proof of my argument. Now we come to a time when there was an unrestricted importation again, when prices fell very low, notwithstanding the continuance of the enormous duty. The prices became so low that they were a great loss to the importers, though they favoured the consumption very much. The consumption in 1842 was 37,355,912 lbs.; in 1843, 40,293,393 lbs.; in 1844, 41,369,351 lbs.; in 1845, 44,183,135 lbs.; in 1846, 46,728,208 lbs.

254. Dr. *Bowring.*] Is that a Parliamentary or a commercial return?—It is a commercial return.

255. *Chairman.*] Can you give the ruling prices in each year?—It would be very difficult to give the ruling prices in each year. The trade has been a very forced one. Parties have been holding off, rather than submit to ruinous prices; others have been selling at all events. I think it would be very difficult to give an approximation to the ruling prices of the year in a forced trade.

256. Then how are you able to state that the consumption varies so much, according to the price?—It seems that in the last four years there has been a remarkable steady increase of consumption, because during that time there has been no fluctuation of prices upwards.

257. Can you state, generally, what the prices have been during that time?—I should say, from recollection, that the prices of Congou have ruled from 9 *d.* up to 2 *s.* 2 *d.* per lb. through those four years.

258. Would it not be possible to get the ruling prices for every month?—There will be more competent witnesses to that point before the Committee. No criterion can be formed, for instance, from public sales; for the public sales the last two years have been mere delusion. I have known 50,000 or 60,000 chests put up at a public sale, and something more than 5,000 or 6,000 packages sold, up to, perhaps, 10,000, and those mainly of an objectionable description, that were to be sold at any rate, but all the regular teas have been bought in, almost without exception.

259. Are there no commercial circulars which state monthly the ruling prices of tea?—Yes, there are, certainly. I should consider that commercial circulars would be evidence to a certain extent, and they would show, certainly, that the price of tea has been constantly declining. The Committee will get that evidence from other witnesses, much more clearly and distinctly than I could give it.

260. Mr. *Matheson.*] The actual sales to which you allude have no reference to the consumption, inasmuch as they are sales of tea in bond?—They are. But at the same time I believe that there has been no speculation in teas since 1842. I believe it may be said that the importers and wholesale dealers, purchasing for immediate distribution among the retailers, have been altogether

*W. Norton*, Esq.

20 April 1847.

without any intermediate parties; consequently, when teas have been sold, they have gone almost immediately into consumption. I was questioned as to a letter of the late Mr. Thom, who stated that in consequence of the great speculations in China on the part of the British, and the large purchases made, prices had risen 50 per cent. I expressed a doubt whether it had gone to that extent, although beyond doubt there had been a considerable rise. I beg to put in the prices of teas in China, extracted from the Canton Register, from 1834 to 1838, in the months of February and November, and from 1842 to 1846, which will very strongly indeed confirm the evidence which I have already given as to the small variation of prices upward, in consequence of any additional exportation that has taken place from China. I find that in the period to which Mr. Thom alludes, 1836, 1837, the prices have been increasing. In February 1835, Congou was 20 taels to 27 taels; in November 1835, Congou was 22 to 30 taels; in February 1836, Congou was 26 to 30 taels; in November 1836, which was the time when the speculation arose, there was no price named; that is to say, the market was in suspense; the Chinese wanted an increased price, and the merchants were hesitating to give it. But in February 1837, I find that Congou was 25 to 37 taels, and that is the period to which Mr. Thom alluded. I will put in these prices. At the end of these prices I have considered it useful to put the prices of silks for the same periods.

[*The same was delivered in, and is as follows:*]

PRICES of TEAS in the Months of February and November from 1834 to 1838, and 1842 to 1846, inclusive, extracted from the "Canton Register."

| 25 February 1834. | *Ts.* | |
|---|---|---|
| Bohea | 12 to 15 | per pecul. |
| Congo | 16 to 20 | — |
| Campoi | 16 to 20 | — |
| Souchong | 15 to 28 | — |
| Peko | 35 to 65 | — |
| Hyson | 32 to 55 | — |
| „ skin | 20 to 32 | — |
| „ young | 40 to 52 | — |
| Gunpowder | 44 to 68 | — |
| Twankay | 26 to 32 | — |
| Orange Peko | 17 to 22 | — |
| Caper | 20 to 22 | — |

| 24 February 1835. | | |
|---|---|---|
| Bohea, Canton | 12 to 14 | — |
| „ Fokein | 16 to 19 | — |
| Congo | 20 to 27 | — |
| Campoi | 20 to 26 | — |
| Souchong | 24 to 40 | — |
| Peko | 40 to 70 | — |
| Ankoi souchong | 17 to 22 | — |
| Hyson | 37 to 64 | — |
| „ skin | 17 to 28 | — |
| „ young | 26 to 36 | — |
| Gunpowder | 38 to 53 | — |
| Imperial | 38 to 50 | — |
| Twankay | 23 to 30 | — |
| Orange Peko | 22 to 30 | — |
| Caper | 22 to 24 | — |

| 23 February 1836. | | |
|---|---|---|
| Bohea, Canton | 14 to 16 | — |
| „ Fokein | 10 to 22 | — |
| Congo | 26 to 30 | — |
| Campoi | 28 to 36 | — |
| Souchong | 32 to 34 | — |
| Peko | 45 to 65 | — |
| Ankoi souchong | 22 to 26 | — |
| Hyson | 46 to 70 | — |
| „ skin | 20 to 36 | — |
| „ young | 44 to 58 | — |
| Gunpowder | 57 to 64 | — |
| Imperial | 54 to 62 | — |
| Twankay | 28 to 34 | — |
| Orange Peko | 26 to 32 | — |
| Caper | 22 to 25 | — |

| 25 November 1834. | *Ts.* | |
|---|---|---|
| Bohea, Canton | 12 to 14 | per pecul. |
| „ Fokein | 16 to 18 | — |
| Congo | 20 to 27 | — |
| Campoi, new | 20 to 26 | — |
| Souchong | 24 to 40 | — |
| Peko | 40 to 70 | — |
| Ankoi souchong | 15 to 22 | — |
| Hyson | 32 to 55 | — |
| „ skin | 13 to 22 | — |
| „ young—old | 30 to 42 | — |
| Gunpowder | 40 to 52 | — |
| Imperial | 37 to 49 | — |
| Orange Peko, new | 20 to 24 | — |
| Caper, new | 22 to 24 | — |

| 24 November 1835. | | |
|---|---|---|
| Bohea, Canton | 13 to 15 | — |
| „ Fokein | 17 to 20 | — |
| Congo | 22 to 30 | — |
| Campoi | 28 to 34 | — |
| Souchong | 32 to 44 | — |
| Peko | 45 to 65 | — |
| Ankoi souchong | 18 to 22 | — |
| Hyson | 44 to 64 | — |
| „ skin | 20 to 32 | — |
| „ young | 36 to 48 | — |
| Gunpowder | 50 to 60 | — |
| Imperial | 47 to 57 | — |
| Twankay | 26 to 32 | — |
| Orange Peko | 20 to 30 | — |
| Caper | 21 to 24 | — |

| 29 November 1836. | | |
|---|---|---|
| Souchong | 42 to 46 | — |
| Peko | 55 to 85 | — |
| Ankoi souchong | 23 to 26 | — |
| Hungmuy | 36 to 40 | — |
| Hyson | 48 to 65 | — |
| „ skin | 20 to 30 | — |
| „ young | 35 to 45 | — |
| „ young, Canton | 26 to 32 | — |
| Gunpowder | 56 to 63 | — |
| „ Canton | 36 to 44 | — |
| Imperial | 53 to 60 | — |
| Orange Peko | 26 to 28 | — |
| Caper | 25 to | — |
| Congo | no price named. | |

28 February 1837.

| | *Ts.* | |
|---|---|---|
| Congo | 25 to 37 | per pecul. |
| Souchong | 34 to 54 | — |
| Peko | 55 to 85 | — |
| Ankoi souchong | 20 to 26 | — |
| Hungmuy | 36 to 40 | — |
| Hyson | 48 to 72 | — |
| „ skin | 20 to 34 | — |
| „ young | 35 to 45 | — |
| „ young, Canton | 26 to 32 | — |
| Gunpowder | 56 to 63 | — |
| „ Canton | 36 to 44 | — |
| Imperial | 53 to 60 | — |
| Twankay | 31 to 33 | — |
| Orange Peko | 26 to 32 | — |
| Caper | 25 to 29 | — |

27 February 1838.

| | | |
|---|---|---|
| Congo | 19, 22, 25 to 32 | — |
| Souchong | 16 to 24, 32 to 44 | — |
| Peko | 35 to 40 | — |
| Hungmuy | 20, 26 to 36 | — |
| Hyson | 36 to 60 | — |
| „ skin | 14, 15, 18 to 28 | — |
| „ young | 18 to 35 | — |
| „ young, Canton | 14 to 18 | — |
| Gunpowder | 44 to 50 | — |
| „ Canton | 25 to 28 | — |
| Imperial | 30 to 47 | — |
| Twankay | 19 to 27 | — |
| Orange Peko | 20 to 35 | — |
| Caper | 18 to 20 | — |

8 March 1842.

| | | |
|---|---|---|
| Congo | 22 to 30 | — |
| Souchong | 25 to 40 | — |
| Peko | 40 to 50 | — |
| Ankoi souchong | 20 to 22 | — |
| Hyson - cargo | 32 to 42 | — |
| „ skin | 23 to 25 | — |
| „ young „ | 32 to 36 | — |
| „ young, Canton | 21 to 23 | — |
| Imperial / Gunpowder | 35 to 50 | — |
| Gunpowder, Canton / Imperial - ditto | 25 to 30 | — |
| Twankay | 24 to 32 | — |
| Orange Peko | 30 to 44 | — |
| Caper | 23 to 30 | |

21 February 1843.

| | | |
|---|---|---|
| Congo | 19 to 23 | — |
| Souchong | 21 to 23 | — |
| Peko | 32 to 50 | — |
| Ankoi souchong | 17 to 18 | — |
| Hungmuy | 26 to 27 | — |
| Hyson - cargo | 29 to 40 | — |
| „ skin | 19 to 22 | — |
| „ young „ | 27 to 36 | — |
| „ Canton | 15 to 22 | — |
| Imperial / Gunpowder | 32 to 43 | — |
| Imperial, Canton | 30 to 40 | — |
| Twankay | 22 to 25 | — |
| Orange Peko | 22 to 26 | — |
| Ditto, scented | 35 to 39 | — |
| Caper | 20 to 26 | — |

28 November 1837.

| | *Ts.* | |
|---|---|---|
| 27 March, Congo, old | 16 to 22 | per pecul. |
| 28 Feb. Congo, new | 25 to 32 | — |
| Souchong | 16 to 24 | — |
| Peko, new | 45 to 60 | — |
| Ankoi souchong | 14 to 18 | — |
| Hungmuy | 35 to 37 | — |
| Hyson | 38 to 48 | — |
| „ skin | 18 to 34 | — |
| „ young | 24 to 28 | — |
| „ young, Canton | 18 to 20 | — |
| Gunpowder, old | 49 to 53 | — |
| „ Canton | 33 to 36 | — |
| Imperial | 30 to 47 | — |
| Twankay | 24 to 31 | — |
| Orange Peko | 20 to 32 | — |
| Caper | 18 to 20 | — |

27 November 1838.

| | | |
|---|---|---|
| Congo | 19, 22, 25 to 32 | — |
| Souchong | 16 to 24, 32 to 44 | — |
| Peko | 35 to 40 | — |
| Ankoi souchong | 16 to 18 | — |
| Hungmuy | 20, 26 to 36 | — |
| Hyson | 36 to 60 | — |
| „ skin | 15, 18 to 28 | — |
| „ young | 27 to 35 | — |
| „ young, Canton | 14 to 18 | — |
| Imperial | 41 to 49 | — |
| Gunpowder | 44 to 52 | — |
| „ Canton | 32 to 35 | — |
| Imperial, Canton | 29 to 32 | — |
| Twankay | 19 to 27 | — |
| Orange Peko / Caper - new | 28 to 37 | — |
| | 24 to 25 | — |

6 December 1842.

| | | |
|---|---|---|
| Congo | 22 to 34 | — |
| Peko | 45 to 70 | — |
| Hungmuy | none. | |
| Hyson - cargo | 28 | — |
| „ young „ | 26 | — |
| „ young, Canton | 15 to 22 | — |
| Imperial | 30 to 40 | — |
| Gunpowder | 33 to 43 | — |
| Imperial, Canton | 30 to 40 | — |
| Twankay | 24 to 29 | — |
| Orange Peko | 24 to 28 | — |
| Ditto, scented | 37 to 39 | — |
| Caper | 22 to 28 | — |
| Ning Yong souchong | 26 to 34 | — |

24 November 1843.

| | | |
|---|---|---|
| Ankoi | 15 to 20 | — |
| Caper | 15 to 17 | — |
| Congo, old | 11.50 to 15 | — |
| „ new | 14 to 22 | — |
| Hungmuy | 25 to 31 | — |
| Peko, new | 33 to 55 | — |
| „ orange | 20 to 24 | — |
| „ Chulau | 30 to 40 | — |
| Pouchong | 21 to 25 | — |
| Souchong, old | 14 to 18 | — |
| „ new | 32 to 38 | — |
| Gunpowder | 30 to 50 | — |
| Hyson | 22 to 32 | — |
| „ fine | 30 to 45 | — |
| „ skin | 7 to 12 | — |
| „ „ new | 15 to 25 | — |
| „ young | 26 | — |
| „ young, fine | 33 to 38 | — |
| Imperial | 25 to 40 | — |
| Twankay | 15. | — |
| Ning Yong | 24 to 30 | — |

 (*continued*)

*W. Norton*, Esq.

20 April 1847.

23 February 1844.

| | Ts. | |
|---|---|---|
| Ankoi | 14 to 20 | per pecul. |
| Caper | 16 to 18 | — |
| Congo, old | 11.50 to 15 | — |
| „ new | 16 to 24 | — |
| Hungmuy | 20 to 30 | — |
| Peko, new | 32 to 46 | — |
| „ orange | 20 to 26 | — |
| „ Chulan | 31 to 42 | — |
| Souchong, Canton | 13 to 17 | — |
| „ country | 17 to 32 | — |
| Gunpowder | 37 to 47 | — |
| Hyson | 35 to 46 | — |
| „ skin | 15 to 20 | — |
| „ young | 26 to 34 | — |
| Imperial | 34 to 45 | — |
| Twankay | 20 to 35 | — |
| Ning Yong | 19 to 20 | — |

28 February 1845.

| | | |
|---|---|---|
| Ankoi | 10 to 17 | — |
| Caper | 18 to 22 | — |
| Congo, old | 10 to 13 | — |
| „ new | 13 to 36 | — |
| Hungmuy | 20 to 32 | — |
| Ning Yong | 18 to 26 | — |
| Peko, new | 18 to 23 | — |
| Souchong, old | 13 to 18 | — |
| „ new | 35 to 54 | — |
| Gunpowder, Canton | 22 to 27 | — |
| „ country | 52 to 85 | — |
| Hyson | 45 to 90 | — |
| „ skin | 17 to 36 | — |
| „ young, Canton | 20 to 26 | — |
| „ young, country | 30 to 50 | — |
| Imperial, Canton | 20 to 30 | — |
| „ country | 50 to 70 | — |
| Twankay | 22 to 40 | — |

27 February 1846.

| | | |
|---|---|---|
| Congo | 16 to 23 | — |
| Twankay | 18 to 24 | — |
| Hyson | 32 to 56 | — |
| „ young, cargo | 24 to 31 | — |
| „ young, good | 33 to 45 | — |
| Imperial | 36 to 58 | — |
| Gunpowder | 39 to 61 | — |

March 29.

| | | |
|---|---|---|
| Souchong | 32 to 36 | — |

29 November 1844.

| | | |
|---|---|---|
| Ankoi | 10 to 17 | per pecul. |
| Caper | 16 to 21 | — |
| Congo, old | 10 to 15 | — |
| „ new | 30 to 44 | — |
| Hungmuy | 14 to 20 | — |
| Ning Yong | 30 to 33 | — |
| Peko, new | 40 to 90 | — |
| „ orange, new | 26 to 30 | — |
| Souchong, old | 13 to 18 | — |
| „ new | 42 to 54 | — |
| Gunpowder, Canton | 20 to 27 | — |
| „ country | 60 to 80 | — |
| Hyson | 46 to 80 | — |
| „ skin | 22 to 36 | — |
| „ young, Canton | 20 to 26 | — |
| „ young, country | 34 to 56 | — |
| Imperial, Canton | 20 to 30 | — |
| „ country | 54 to 70 | — |
| Twankay | 30 to 38 | — |

31 October 1845.

| | | |
|---|---|---|
| Congo | 20 to 34 | — |
| Souchong | 40 to 62 | — |
| Peko | 37 to 84 | — |
| Caper | 15 to 21 | — |

29 November.

| | | |
|---|---|---|
| Twankay | 20 to 40 | — |
| Hyson | 44 to 58 | — |
| „ skin | 18 to 38 | — |
| „ young | 28 to 35 | — |
| Imperial | 52 to 62 | — |
| Gunpowder | 55 to 65 | — |

28 November 1846.

| | | |
|---|---|---|
| Congo, Moning | 20 to 26 | — |
| „ Hohow | 18 to 22 | — |
| „ Suchune | 16 to 20 | — |
| Souchong | 30 to 42 | — |
| Ning Yong | 22 to 30 | — |
| Orange Peko, plain | 15 to 20 | — |
| „ scented | 26 to 30 | — |
| Caper, plain | 10 to 15 | — |
| „ scented | 18 to 26 | — |
| Twankay, cargo | 19 to 23 | — |
| „ good | 25 to 30 | — |
| Hyson skin, cargo | 16 to 19 | — |
| „ good | 20 to 28 | — |
| „ young, cargo | 24 to 30 | — |
| „ middling good | 32 to 40 | — |
| „ fine | 48 to 50 | — |
| Hyson | 37 to 40 | — |
| „ good to fine | 42 to 58 | — |
| Imperial | 29 to 40 | — |
| „ Moyune | 40 to 52 | — |
| Gunpowder, cargo | 33 to 45 | — |
| Moyune | 46 to 57 | — |

PRICES of TAYSAAM and TSATLEE SILK, extracted from the "Canton Register," in the Months of February and November, from 1834 to 1838, and 1842 to 1846, inclusive.

| 25 February 1834. | $. | 25 November 1834. | $. |
|---|---|---|---|
| Taysaam | 280 to 300 per pecul. | Taysaam | 340 to — per pecul. |
| Tsatlee | 320 to 345 — | Tsatlee | 365 to 370 — |
| 24 February 1835. | | 24 November 1835. | |
| Taysaam | 355 to 360 — | Taysaam | 370 to 375 — |
| Tsatlee | 390 to 400 — | Tsatlee | 410 to 445 — |
| 23 February 1836. | | 29 November 1836. | |
| Taysaam | 380 to 390 — | Taysaam | 390 to 420 — |
| Tsatlee | 470 to 490 — | Tsatlee | 505 to 545 — |
| 28 February 1837. | | 28 November 1837. | |
| Taysaam | 390 to 420 — | Taysaam | 360 — |
| Tsatlee | 505 to 545 — | Tsatlee | 460 — |
| 27 February 1838. | | 27 November 1838. | |
| Taysaam | 350 to 360 — | Taysaam | — |
| Tsatlee | 400 to 470 — | Tsatlee | — |
| 8 March 1842. | | 6 December 1842. | |
| Taysaam | 450 to 500 — | Taysaam | 365 — |
| Tsatlee | 500 to 520 — | Tsatlee | 465 to 475 — |
| 21 February 1843. | | 24 November 1843. | |
| Tsatlee | 470 to 480 — | Tsatlee | 525 — |
| Taysaam | — — | Taysaam | — — |
| 23 February 1844. | | 29 November 1844. | |
| Taysaam | — — | Taysaam | 510 to 550 — |
| Tsatlee | 500 to 520 — | Tsatlee | — — |
| 28 February 1845. | | 29 November 1845. | |
| Taysaam | — — | Taysaam | 360 — |
| Tsatlee | 460 to 470 — | Tsatlee | 490 to 525 — |
| February, March, &c. 1846. | | 28 November 1846. | |
| No quotations. | | Taysaam | 260 to 300 — |
| | | Tsatlee | 300 to 410 — |

261. Dr. *Bowring.*] Are the newspaper price currents sufficiently accurate to guide merchants in their transactions?—We make great allowances for the state of the markets and for the nominal state of prices, and we come to an approximation of what is the reality. But I will claim the liberty to make two or three observations upon Mr. Thom's letter, because the late Mr. Thom (of whom I would speak with great reserve, considering that the gentleman is deceased) took a very strong view of the question of the reduction of duty, and he expressed that view very strongly to the Government, and, as I venture to think, upon very erroneous grounds indeed. Sir John Davis, in fact, in sending the letter forward, says, "The obvious advantages of Shanghae have had the effect of leaving scarcely any trade whatever at either Ningpo or Chusan, notwithstanding that the latter place has been a perfectly free port ever since it was in our possession. I beg to refer your Lordship to Mr. Thom's report upon this subject" (which is the letter in question). "The view taken by that gentleman of the condition of the British trade in the north, though ingenious, may be considered as having derived some colour from his natural disappointment at the failure in trade at Ningpo." It was a complete failure, and Mr. Thom, no doubt, found himself in a most unpleasant position as consul of a trade which did not exist in fact. In Mr. Thom's letter, dated the 10th of January 1846, which is a very long one, he states the disappoint-

*W. Norton, Esq.*

20 April 1847.

ments of a Mr. Davidson as to the possibility of transacting business in Ningpo, in consequence of the market being glutted with goods from Shanghae. It appears to me that his disappointment was entirely that he expected to get cash at Ningpo at the same price which goods sold for for barter in Shanghae, Mr. Thom himself establishing that the difference between barter and cash price was 50 cents per piece of long cloth. He says that the price at Shanghae was 2 dollars 90 cents per piece of long cloth; and he says that the difference between the barter price, which was 2 dollars 90 cents, and the cash price would be 15 to 20 per cent., and that the Ningpo merchants were enabled to purchase goods for cash at Shanghae at 2 dollars 40 cents. Mr. Thom seems not to have perceived that cash prices only ruling at Ningpo, they could not be expected to compare with the barter prices at Shanghae. He was in the situation of avoiding all the charges which the merchants were obliged to incur in taking their goods from Shanghae to Ningpo; and he expected to get the full price and he was disappointed. But I apprehend that says nothing against the trade. Mr. Thom's general impression seems to have been (and it runs through the whole of this letter) that it is possible for the Chinese to combine together, being a smaller number of persons than the British traders, and through a series of years always to buy cheap and sell dear. Now I apprehend that if any practical merchant had been at Mr. Thom's side at the time he would not have founded his arguments upon such a basis, which all merchants know to be impossible. I apprehend that in all nations and at all times the prices of goods depend upon the supply and the demand, and that those again depend upon other circumstances, which vary exceedingly from year to year; and I am able to show that Mr. Thom was entirely mistaken even in his assumption of what would be the case from the state of commerce which he details, that is, that the Chinese were able to combine, and that the English were not able to combine, and consequently that they could always buy cheap and sell dear. Mr. Thom quotes, in 1845, the extremely low prices of British manufactures. Spanish stripes, for instance, he states, were one dollar 20 cents per yard. Now last year we sold in various instances Spanish stripes at 1.40 dollar and 1.50 dollar, which shows that the Chinese were not able to keep down the prices by any combination. Scarlet long ells, (which are woollens,) Mr. Thom says, in 1845, had sunk to seven dollars. By the last advices from China scarlet long ells are 10 dollars, and assorted colours are 8 to 8.40 dollars in bond. Mr. Thom says, "The fact is, the Chinese merchants combine much better than the foreign merchants; they have more patience; they are not so hard pushed, nor are they split into such a variety of parties and contending interests as the foreigners are. This will explain why the produce of their industry should rise while ours keeps falling. Another fact to be borne in mind is, that when the price of Chinese produce has once risen it is very difficult to bring it down again. This was exemplified in 1836; the price of Isattee silk had hardly before that time gone above 370 or 380 dollars, but during that year, partly through the speculation and partly through the operation of the Company's Finance Committee at Canton, the price was raised to 500 dollars, and the quantity usually shipped was doubled during that year. But after 1836–7 the quantity began to fall off, though the price continued to rate much higher than in 1836, and we could not account for the paradox, that with better prices offering a smaller quantity came to market. It was found, however, that by our speculations of 1836, not only had we raised the prices upon ourselves, but also upon the native manufacturer. The producer of silk kept the vantage ground he had gained, and as he could get these enhanced prices from the native consumer he declined to make any abatement in favour of his foreign customers." Now it is very difficult to account for the small quantity of silk which came during the period of the troubles in China. Prices in this country varied in a most extreme degree during those years, and would have paid most amply for the import, but from some unexplained cause the quantity did not come down from the interior of China. I will read from a statement of Durant & Co., who are unquestionably the first silk brokers in the country, and who have a very large share of the China trade, the imports and the prices of China silk from 1830 down to the present time, to show that we could exceedingly well have paid for the import of silk considerably more than 500 dollars at times, but from some unexplained cause the silk never came down to the market of Canton, and hence our imports were very small. In 1830 the import of China silk was 4,842 bales;

the

the price of Tsatlee was 14*s.* to 15*s.*, and of Taysaam, 12*s.* 3*d.* to 12*s.* 9*d.* In 1831 it was 5,053 bales; the prices of Tsatlee were 16*s.* to 17*s.*, and of Taysaam, 13*s.* to 13*s.* 6*d.* In 1832 it was 8,337 bales; the price of Tsatlee was 14*s.* to 15*s.*, and of Taysaam, 13*s.* to 13*s.* 6*d.* In 1833 it was 5,884 bales; the price of Tsatlee was 13*s.* to 14*s.* 6*d.*, and of Taysaam, 12*s* 3*d.* to 12*s.* 6*d.* In 1834 it was 9,531 bales; the price of Tsatlee rose to 19*s.* to 20*s.*, and of Taysaam, 17*s.* to 17*s.* 6*d.* In 1835 it was 7,858 bales; the price of Tsatlee was 19*s.* to 21*s.*, and of Taysaam, 16*s.* 6*d.* to 16*s.* 9*d.* In 1836 it was 13,035 bales; the price of Tsatlee was 22*s.* to 25*s.*, and of Taysaam, 20*s.* 6*d.* to 21*s.* In 1837 it was 18,429 bales; the price of Tsatlee was 19*s.* to 25*s.*, and of Taysaam, 16*s.* In 1838 it was 6,473 bales; the price of Tsatlee was 17*s.* to 23*s.*, and of Taysaam, 16*s.* to 17*s.* In 1839 it was 3,708 bales; the price of Tsatlee was 18*s.* to 25*s.*, and of Taysaam, 20*s.* 6*d.* In 1840 it was 3,162 bales; the price of Tsatlee was 21*s.* to 26*s.* 6*d.* Those prices are so large that it is astonishing that they did not induce a large quantity of silk. But I shall show how much, irrespective of price, the import of China silk is arising from various causes in the country. It then declined. In 1841 the quantity was 3,727 bales, and the price of Tsatlee was from 19*s.* to 23*s.* 6*d.* In 1842 the quantity was 1,951, and the price of Tsatlee was from 18*s.* to 21*s.* 6*d.* In 1843 it was 2,651, and the price of Tsatlee was from 17*s.* to 21*s.* 6*d.* In 1844 the quantity was 3,882, and there was a little fluctuation upward in the price; it was from 19*s.* to 23*s* 6*d.* In 1845 the quantity was 11,358 bales, and the price went down to from 18*s.* to 22*s.* In 1846 the quantity was 20,270 bales, and the price was from 15*s.* to 19*s.* And in 1847 the first quality of Tsatlee was 17*s.* to 18*s.*; and it is ruling now at from 11*s.* up to 17*s.* for fine Tsatlee. During the last two years, notwithstanding the prices, as proved by the list which I have produced, have fallen considerably, we have had an increased importation. In 1845-6 the importation was 15,274 peculs, equal to 19,333 bales, and it is expected to be 20,000 bales this year.

262. Are the Committee to infer from that that the supply in China is not dependent upon the price?—That the Chinese are not able by combination to keep up the price when the supply increases; but that they are acted upon, as every other set of merchants in the world are, to sell at lower prices and to give their goods independently of any limit which they may have fixed in their own minds; that is, that they can make no combination whatever.

263. Mr. *Ewart.*] That applies both to tea and silk?—Yes, both to tea and silk.

264. Mr. *Brown.*] At the period you speak of, when the silk came down so sparingly to the Chinese market, was there any alleged failure of the silk worm?—I apprehend not; I never heard of any alleged failure of the silk worm at all. It extended during a period of several years. It must have been from some such cause as that the Chinese had not turned their attention to the European market, or some other cause that I am not able to explain.

265. Viscount *Jocelyn.*] What were they?—The importations had been in 1837, 18,429 bales to London and in Liverpool. In 1838 they were only 6,473 bales. In 1839 they were only 3,708 bales. In 1840, 3,162 bales; in 1841, 3,727 bales; in 1842, 1,951 bales; in 1843, 2,651 bales; in 1844, 3,882 bales. In 1845 we began to increase, 11,358 bales. In 1846 I see Mr. Durant makes it 20,270 bales.

266. Was not it during that period that the great increase in the opium trade took place?—I am not aware that the opium trade has increased greatly of late. I am not particularly acquainted with the details of the opium trade, but it was reckoned some years back at 40,000 chests. I think now it is reckoned at about 45,000 to 50,000.

267. Dr. *Bowring.*] Has any instance occurred of the failure of the crop of tea in China?—I am not aware of any. We have had, as in other branches of commerce, rumours of injury done to the crop; and that has now and then slightly affected the importation; but we never could discover any remarkable effect from any injury to the crop.

268. Mr. *Moffatt.*] Has it ever affected the importation to the extent of 20 or 25 per cent.?—Certainly not.

269. Mr. *Hawes.*] Over what proportion of the period you have referred to did our differences with the Chinese extend?—I should say from 1838 to the end of 1841, or the beginning of 1842.

270. Does that comprise the period when the importation was the lowest?—

*W. Norton*, Esq.

20 April 1847.

The importation in 1839 was 3,708 bales. In 1840 it was 3,162 bales. In 1841, 3,727 bales. In 1842, it was as low as 1,951 bales. Then it rose in 1843; there was hardly time, I presume, to set the machinery at work in the country for an increased export, and we only got 2,651 bales. But in 1844, we got 3,882 bales; and in 1845, 11,358 bales. The imports now from China, at lower prices in China, are far larger than have ever been known before.

271. Mr. *Moffatt.*] Then is the result of your experience both in tea and in silk, that an increased demand has caused a reduction in price both in China and here?—I should not like to go quite so far as that. I think the increased demand in China, although as it went suddenly into the market, it created a disposition on the part of the Chinese to hold out for higher prices; yet, after a short time the prices have come down; the additional quantity has been given, and prices have come down to a level.

272. The practical result has been, both in tea and in silk, that while the demand has increased prices have been lowered?—I think the practical result is, that the supply of the Chinese has answered most fully to the demand, and we have had a very great increase, without any increase in prices.

273. Dr. *Bowring.*] You attribute it to the augmented production in China?—I presume it must be so; from all the calculations that can be made, looking to the vast extent of the population of China, and the very large proportion of it which is civilized, and consuming tea in the most ample manner, morning, noon, and night, the fashion being to introduce it into shops among customers, and so on, I think it may be fair to assume (we all make our calculations in different ways, to arrive at the result), that one-half of the population is in the trading towns and civilized parts, and that they consume, I should say, 5 lbs. of tea per annum, on the average, which would give a thousand millions of pounds of tea for the consumption of China. Then my argument was, that if we wanted even an additional hundred millions of tea from China, with a moderate notice to the Chinese, there would be no difficulty in manipulating and preparing for the European market that extent, without creating any large addition of price; and I quoted the late Sir George Staunton's remark, which confirms it, that it was then considered that the production of tea was so enormous in China, that if the demand from Europe were to cease altogether, it would not cause any fall of price to the Chinese; and it strikes me that is a very strong point, because we certainly may argue from that, that if we took away from so immense a production, pending their increase of production, even 10 per cent. of the whole, it would not affect the prices very materially, and that the price to the English would follow the general rule of supply and demand.

274. You think there is an extraordinary elasticity in the power of supply in China?—I have not the least doubt of it.

275. Mr. *Smith.*] Do you think that the exportation now is anything like 10 per cent. upon the total amount of production?—I should think not, certainly; my calculation is, (which, however, is a mere vague calculation,) that it is not much more than five per cent.

276. Sir *G. Staunton.*] You assume that the adaptation of the tea for the British market is entirely dependent upon the manipulation, not at all upon the quality of the produce?—I would not wish to go so far as that, but I assume that a very large quantity (and one's information leads to that), suitable for the British market, could be very readily given.

277. It could be converted by manipulation to the purposes of the British market?—No doubt of it.

278. You think there is no objection as respects the quality of the produce?—I should think not to the extent that might be required; for instance, from 1842 to 1846, the importation increased from 40,000,000 lbs. to 57,000,000 lbs.; that is an increase of 17,000,000 lbs. in three or four years, while the price has not at all increased. On the contrary, we have lately had an account of a very considerable fall in price, amounting to 30 per cent.

279. You are aware that it is a question whether teas grown in other parts of China could by any manipulation be made suitable to the British market?—No doubt of it; but we believe that the power of production in China is not at all limited; we find that whenever there is an increased demand from Europe, that demand is supplied with the greatest facility.

280. Dr. *Bowring.*] Do you think that a greatly augmented demand in Europe would lead to the introduction of any other than the genuine tea-leaf from China?—

China?—I should say not, from this fact, which by the bye is included in what Mr. Thom asserts here. The fact is, that the importations of tea since the cessation of the Company's privileges have become very greatly superior in quality to what they were during the Company's time.

281. Sir *G. Staunton.*] Is it not a notorious fact, that there is an immense number of qualities of tea in China which by no manipulation or change in the manufacture could be adapted to the British market?—That may be the case; we have seen qualities of tea which were very low. During the speculative times we had, in fact, importations of Bohea tea, and of Pouchong tea, to a considerable extent, which were not at all suitable to the market, which only commanded prices during the speculative periods, but which fell to comparatively nothing when we had a good supply of good teas; those teas are thrown out of the market by their quality. I am not at all prepared to say that we should not have some of those inferior teas brought again into the market were the duty lowered very considerably, because they would better bear a lower duty; but the effect of the higher duty, a uniform duty, certainly has been to bring a very superior quality of tea on the aggregate into Europe than came before.

282. Dr. *Bowring.*] Was this inferior quality of tea the genuine leaf of the tea plant?—Yes, it was genuine tea, but inferior tea; it was not good enough for the British market.

283. Was it inferior from the want of proper manipulation, or inferior from its original quality?—From its original quality; it was coarser and weaker tea.

284. Mr. *J. A. Smith.*] Are you aware whether, in any one year, the whole amount of tea at Canton, prepared for the English market, has ever been taken away?—I should think not, but I am not aware of the fact; I am not aware of any year when you could not, at the end of the season, have purchased chops of tea if you had wished it.

285. Dr. *Bowring.*] Is there any means of ascertaining the amount held in depôt at any of the great Chinese ports?—I apprehend not; there is no bonding system there. Sir George Staunton's question suggests to me that it is somewhat remarkable that, notwithstanding the very large importations that we had of Bohea teas and Pouchong teas, and several other low class teas which have ceased, we now get 57,000,000 lbs. of tea from China instead of 40,000,000 lbs. in 1842, and 30,000,000 lbs. in the Company's time, and all of a very much superior kind. Consequently the apparent increase of supply is infinitely less than the real power as shown; and I apprehend it is a sort of probability that the Chinese may be now giving us 30,000,000 lbs. additional of tea, which they did not give us before. Because we refused to take 13,000,000 lbs. of inferior tea, which we had taken, therefore they have supplied the place of that, and they have given us an additional supply besides.

286. Sir *G. Staunton.*] The object of my question was, to ask whether you did not consider that the quality was one element in the adaptation to the British market?—No doubt of it.

287. Is not it consistent with your knowledge that a vast quantity of tea is produced in the province of Canton which, though so convenient in locality, is never introduced into the British market?—That is precisely the tea that is thrown out of consumption in this country by the high duty. It is a Bohea tea. There were two classes of Bohea tea in the Company's time, the Woping and Tokeen; the Woping and the Tokeen teas are now thrown out of consumption by the duty.

288–9. Mr. *Ewart.*] Is not it the case that Congou tea is mostly in use in this country; has not the greatest demand been in Congou?—I think not, otherwise than in proportion to the ordinary consumption of Congou; the consumption of Congou has increased proportionately with others.

290. Mr. *Moffatt.*] Are you aware whether it is the fact that the Canton made tea is manipulated in Canton?—I believe it is. I believe that some of the teas grown in the neighbourhood of Canton are made into Imperial and Gunpowder, for the purpose of obtaining a larger price, under the splendid names of Imperials and Gunpowder, which every body is now finding out they do not deserve, therefore they are a perfect drug upon the market.

291. *Chairman.*] There is a passage in Mr. Thom's letter in which he says, "The Chinese now produce nearly double the quantity of tea that they did at the expiry of the Company's charter, and yet so far from having reduced their prices

*W. Norton*, Esq.

20 April 1847.

they have augmented them, and I consider a tael or two a pikul as a great augmentation, remembering that the general character of the present investments is very far inferior to the choice selections of the Company." Now do you agree in the assertion that the character of the present investments is far inferior to the choice selection of the Company?—I have said, that under the free trade, the character of the investments has greatly improved over that which was the character of the Company's investment; that the teas now imported, since the Company's trade ceased, are very greatly superior to what the Company imported. In reference to that I wrote to one of the leading brokers in Mincing-lane, yesterday afternoon, asking that question, and also in reference to an expression in the concluding part of Mr. Thom's letter, arguing that the Chinese may combine and keep up the prices, so that they would in fact get all the profit of a reduction of the duty, and we should get all the loss. Mr. Thom says, "That this is no idle fear may be proved by reference to the returns of trade for 1836–37. This was a year of great speculation both with the English and Americans, and the average price of all the teas shipped off during that season was 33¾ taels per pikul." I am not aware how Mr. Thom obtains that; it appears to me to be a very extreme average which he has got, "(nearly a half more than the Company used to pay for their investments), although a large proportion of that year's teas was classified by the trade at home as 'trash' and 'rubbish.'" My question to these brokers, Messrs. Layton & Co., was this: What proportion of the tea imported in 1836–7 from China was classed by the brokers as trash and rubbish, and do you consider that the quality of the teas imported by the free trade is superior or inferior to what the Company used to import? The answer is this: "The quantity of tea classed as trash and rubbish imported in 1836–7 was from China very trifling; some did come from other places, Singapore, &c." (that included a good deal of Pouchong,) "in the name of Pouchong, Hyson Skin, &c., but as compared with the import of a season it was not large." But they say expressly that the quantity from China was very trifling that Mr. Thom alludes to. Then they say, "The importation of tea now is very superior in quality to what it was in the time of the Company, and we obtain now a much larger quantity of fine teas of all the different kinds than we used to get then."

292. How much is one tael per pikul in the price per pound?—At 4 *s.* 6 *d.*, which is fair enough to take, the price of 10 taels would be 8 *d.* 7-8ths. The price of 11 taels would be 9½ *d.*; consequently the tael is 5-8ths of 1 *d.*

293. You would not consider an increase of 5-8ths of 1 *d.*, if it has taken place when they have doubled their supply, as a very alarming one to the consumer?—Certainly not to the English consumer. If it affected anybody it would be the English importer, who would have to deal with the market to be supplied at a higher price; but I am disposed to contest that point. I think that Mr. Thom is mistaken; and we are able to show that now, when we are receiving 57,000,000 lbs. of tea, we are actually receiving by the last advices quotations of prices 30 per cent. reduced from the prices of last year, and quite as low as they have ever been. I consider that many of the teas coming home this year are as low as they have come home since the trade opened.

294. Mr. *Brown.*] Do you know whether the whole quantity of tea that has come to Europe and America since the opening of the trade has increased?—I am not acquainted with the American trade, neither can I say as to the European; but I take it that the consumption of tea in all parts of Europe, with little variation, is very trifling compared with that among British subjects, in every place where they are found.

295. Viscount *Jocelyn.*] Do not we export to the European market?—We do; that is rather declining now. It has extended to two, three, or four millions a year, but as the intercourse becomes more direct, the exportation is falling off. With the permission of the Committee, I will just finish Mr. Thom's letter. He assumes throughout the letter that the Chinese people, if we make a larger demand upon them for tea, will raise the prices; that they will insist upon selling a larger quantity at a higher price than before; and that, in fact, they will victimise us by combination. He has told us that in 1836–7 there was great speculation both by the English and Americans, and the price rose he says 50 per cent. beyond what the Company used to pay, notwithstanding that a great portion of the tea was trash and rubbish. He goes on to say,

"Next

"Next year was a year of commercial suffering both in England and America," (of course the prices of tea were very low from the excessive imports); "few competitors appeared in the market, and these with exceedingly moderate ideas, and the over speculation of 1836-37 was retrieved by the caution of 1837-38, else there can hardly be a doubt that tea, like silk, would have kept its high prices." I think I have successfully shown that neither tea nor silk have kept their high prices, but are lower. And I would beg to close this part of my evidence by a very interesting paragraph, the closing paragraph of Mr. Consul Macgregor's letter, forwarded at the same time, which is in page 44 of the printed papers. He says, "On the whole, however, our trade last year does not offer so favourable a result as that of former periods, since the material interests of the importers of British manufactures into China must have been affected in some degree by the reduced prices at which they were obliged to dispose of their goods, without being compensated by a profitable return on the products which they sent home. But I am inclined to think that individual disappointment will ultimately be productive of general good, inasmuch as the accumulated stock of our manufactures in China will compel the native holders to send them to regions in the interior of this vast empire, where their use has hitherto been unknown, and where their present moderate prices are likely to create a permanent demand, thus increasing by some thousands the number of our customers. On the other hand there is every probability that the growers of tea, elated by the success they have latterly had in disposing of their product to a larger amount and at a higher value than formerly, will extend their plantations, by which means a reaction in our favour will be gradually produced if our friendly relations with this country should continue without interruption for any length of time." I apprehend that Mr. Macgregor shows exactly the course of all mercantile proceedings, that high prices produce larger supplies, and large supplies induce low prices; so that, in fact, we come to the point of a very greatly increased supply without any increase of price.

296. Mr. *Matheson.*] Are you aware what opportunities the late Mr. Thom had of arriving at the opinions which he expressed in the letter which you have quoted?—I am not acquainted with Mr. Thom's history. I believe Mr. Thom was established in Glasgow before he went to China. I believe he was a manufacturer.

297. Are you aware that for several years he conducted a department of business in a mercantile house at Canton?—I think I have heard that he did so; but still I beg to say that I do not put my mere unsupported opinion against Mr. Thom's. But I suggest to any gentleman who will look at the thing in a mercantile sense, that Mr. Consul Macgregor's reasoning (for I would rather go upon Mr. Consul Macgregor's reasoning than my own) is correct. All merchants know that as to a combination on the part of the dealers of any nation to keep up the prices, and to sell more goods at the same time, it is out of the question. If there is a large demand for their articles they will obtain high prices; if there is no demand, or a small demand, the prices fall immediately. They find their level according to the supply and demand. I remember perfectly it was a very common event, many years ago, for the French and the Germans to accuse the British merchants of combining to fill every market with British manufactures, at such ruinous prices as to prevent their trade; making the same statement which Mr. Thom makes.

298. Are you aware that Mr. Thom was employed in the house of Jardine, Matheson & Co., in China?—I heard that only yesterday.

299. Mr. Thom having been employed in an extensive house of business in China during that period, is not it probable that he speaks of circumstances which had come within his own knowledge as to the combinations of merchants, not a mere matter of opinion?—I have not viewed it in that sense; I have viewed it as a matter of general mercantile reasoning. I think Mr. Thom applies it in that way. He speaks of the general market, and of the power that the Chinese have of combination. Now I should say that even the facts that have since arisen show that they have no power of combination; because as the demand for tea and silk has slackened, the prices have come down, and they have eventually given us the most extensive supplies that we have ever received, at very moderate prices.

300. *Chairman.*] Is not the opening of five ports to us rather a security against that combination which did not exist while the trade was confined to

*W. Norton*, Esq.

20 April 1847.

one port?—There are only two ports in which the trade is carried on to any extent—I should think that Ningpo, Foo-chow-foo, and Amoy are put out of the question—Canton and Shanghae are the two. But neither in Canton or Shanghae do I suppose that it would be possible for the Chinese merchants to say that in spite of all circumstances bearing upon the question they would combine together and say, "We will not sell our teas or our silks unless at certain prices." If they did so, although the English merchants might concede to a certain point, yet they would stop short at that point, and the Chinese would be obliged to hold their silks and their teas till they gave way in the price.

301. Have not such combinations been attempted in England at certain periods, and succeeded partially for a period, as in the case of cotton, but have broken down under the force of the circumstances of demand and supply?—Not as the result of a general combination; but parties have been impressed with the opinion, from circumstances, that the supply of an article would fall short, and very large capital has been thrown into monopolizing the article for a time. But in my whole commercial experience, I should say that three times out of four such speculations have failed.

302. Viscount *Jocelyn.*] In the period which Mr. Thom speaks of in that letter, do you believe that at that time there was no combination?—I think there was an attempt for a few months, perhaps two or three months, to obtain higher prices, but it broke down; for instance, in 1836–7. In that season, as there was a very anxious desire to purchase, it did succeed; they obtained by holding off, just as English merchants would under some circumstances obtain high prices. But the trial whether they could maintain a combination was in 1837–8. When Mr. Thom tells you, that in consequence of there being but few competitors in the market, and these with exceedingly moderate ideas, the over-speculation of 1836–7 was retrieved, he means by that that the prices were considerably lower, and that parties redeemed their losses. In the remarks I have made upon Mr. Thom's letter, I have not the least intention to interfere with the respect which I owe to Mr. Thom, from all that I have heard of him. I am merely combating his commercial ideas, inasmuch as Mr. Thom has expressed himself very strongly against those views which we generally in the trade feel to be absolutely necessary to enforce upon the Government, in order to prevent the trade sinking into ruin.

303. Mr. *Matheson.*] Mr. Thom states that he arrived in China early in 1834, and he writes early in 1846. During a considerable part of that period he was engaged in commercial pursuits; he had, therefore, a local experience of 12 years?—Still I cannot admit that because Mr. Thom had had so long experience in a house of such great eminence as that which has been mentioned, therefore he is to be permitted to take up and to press upon the Government a theory which has been exploded for the last half century. I think that all practical merchants are well aware, that however the hopes of holders of goods of any description may lead them to expect large prices for a time, and though they may, perhaps, succeed in establishing something like combination, yet, inasmuch as they have all their separate interests to pursue, and they all have their fears as to each other, at length one sells, and another sells, and the whole combination falls like a rope of sand. Mr. Thom goes on to say, "I observe that a strong party at home are now urging Her Majesty's Government to reduce the duty on tea from 2 *s.* 1 *d.* to 1 *s.* per lb., arguing that from its greater cheapness the consumption will be doubled, and that the revenue will be no loser by the reduction. This is a very plausible theory, but I am afraid that these people who speak so confidently have not duly considered what would be the effects of such a reduction in this country. Is there no possibility that speculation would again be at work; that on the prospect of such a reduction taking place, large orders would be sent out by a thousand contending parties; that the prices of tea would be run up, perhaps doubled, and that the deficit in our revenue, and all the benefit intended for our people, would be transferred to the pockets of the Chinese producers?" Now, I want to show that Mr. Thom has taken up a very strong opinion upon very erroneous grounds.

304. Do you not conceive it possible, that during the early period that Mr. Thom speaks of, before the war, when it is well known that there were only about 11 merchants who were allowed by the Chinese to sell tea to foreign merchants, it might have been very possible for such combinations to have existed as Mr. Thom described, although it may not be the case under the circumstances

cumstances at the ports which are now open?—Certainly; I should conceive that it was much more easy then than now, although I should even then have doubted how far 11 parties could have maintained such a combination. Mr. Gregson was examined as to the effect of a reduction of duty upon the price, and several questions were put to him as to whether a reduction of duty would not include a reduction of the profit which is now obtained. My calculation is, that the reduction of the duty to 1 *s.* per lb. would have the effect of making tea 1 *s.* 4 *d.* per lb. cheaper at least, the reduction being 1 s. 2 *d.*; and it is an important point, because it would, to the great mass of poor consumers, bring the price of tea which they consume to 2 *d.* per ounce, instead of 3 *d.*; just making a difference to them of 50 per cent. remaining in their pockets of what they would otherwise have spent; that is, it would enable them to lay out 50 per cent. upon 2 *d.* in something else.

305. The additional 2 *d.* of reduction beyond the reduction of duty is the difference of the profit upon the less capital employed?—Yes; in fact I make it 4 *d.*; but it would be sufficient to give a reduction of 16 *d.* to bring the price to 2 *d.* per ounce instead of 3 *d.*

306. Will you state the elements of that calculation?—Unfortunately we are obliged to sell now a very good common Congou tea at 10 *d.* per lb.; there are some much inferior; but 10 *d.* per lb. represents a very good common quality; the duty would be 2 *s.* 2 ½ *d.* It is difficult to say what profit the wholesale dealer has; but I think I am justified in saying, that parties who buy large quantities of tea for the purpose of distributing to retailers throughout the country may be assumed to get 2 *d.* per lb. profit, and the retailers will get 25 per cent. upon the total outlay, for it is a remarkable thing, that while Government feels that tea is an exceedingly convenient article to raise an enormous duty upon, the grocer feels that it is an exceedingly convenient article to make his profit upon; and it could be shown in evidence most satisfactorily that it is the custom for the grocers in London to sell sugars with scarcely any profit at all; they look to make their profit almost entirely upon tea. The retail profit, therefore, would be 10 *d.*, making 4 *s.* a lb. Now if the duty were reduced, the price, instead of 4 *s.*, would be 2 *s.* 6 *d.* per lb.; and I make it out thus: the first cost would be 10 *d.*, the duty 1 *s.*, the wholesale profit 2 *d.* as before, but the retail profit, being 25 per cent. upon the whole capital, would be only 6 *d.*; consequently it would cost 2 *s.* 6 *d.* per lb., or rather less than 2 *d.* per ounce to the consumer.

307. Viscount *Jocelyn.*] You give the consumer the whole benefit of the reduction of the duty?—There is no doubt that if the duty were suddenly reduced without notice, as in everything else, and as I believe is always contemplated by the Government, there would be a material rise in the price corresponding with the pressure of the demand at the time; but if there were a good notice, that would be very materially lessened indeed. I do not mean to say that the trade does not look for some increase in the price, but 2 *d.* per pound would be quite sufficient on the great mass of the teas imported to place the trade in a healthy position, which is now in a ruinous one. I will illustrate it in this way: I will suppose that the tea which I am now quoting at 10 *d.* per pound were sold at 1 *s.*, the present state of that tea is this; there are fixed charges which it must pay before it comes to the sale, of 3 ½ *d.* per pound; so that its first cost ought to be only 6 ½ *d.*, and it costs at least 1 *s.* per pound to the present importers. There is a loss, therefore, of 2 *d.* a pound on it. I am now speaking of the experience of very numerous imports on our own part, as well as that of other merchants; and it may be relied upon that the loss upon those tenpenny teas at present is 2 *d.* per pound. But it is not 2 *d.* per pound upon 10 *d.*, making 20 per cent., but it is 2 *d.* per pound upon 8 ½ *d.*, making nearly 30 per cent. That arises from the fact that the capital invested in the first place is 8 ½ *d.*, and the charges, which are fixed, and which must be charges at all events, are 3 ½ *d.*

308. *Chairman.*] Where are they paid?—They consist of commissions in China, and freight, insurance, and all the charges of docks, and of working the article here, and its sale. Those being all fixed charges, with a trifling variation as to the *ad valorem* part of the question, must be paid. If the tea were sold at 6 *d.*, still the charges of 3 ½ *d.* must come off. Therefore, deducting 3 ½ *d.* from the present tenpenny tea, which cost the merchant 1 *s.*, it is, in fact, a loss to the merchant of nearly 30 per cent. Now, if there were an advance of 2 *d.* a pound, as

*W. Norton*, Esq.

20 April 1847.

far as the importer is concerned, it would place the trade in a healthy position, which is now in a very unhealthy state indeed.

309. By that step he would still pay 3½*d.*?—He would get 8½*d.* and he would pay only the same charges; consequently, the tea costing here 1*s.*, does in fact, cost him, exclusively of the charges, 8½*d.* He would get his charges, so that he would get his cost and charges. Now he gets 2*d.* less than the cost.

310. Are they his own charges?—They are charges which he must pay to the importer of the tea.

311. Are not they paid a good deal to himself?—The manufacturer sends his goods out; he employs agents out there and agents here; he must pay the freight, he must pay the insurance; and all those charges accumulating together amount to 3½*d.* per pound. Whatever price he obtains here for his tea, he must pay those charges; consequently when he sustains a loss of 2*d.* a pound, it is not a loss sustained upon the cost and charges, but it is a loss sustained upon the cost.

312. Mr. *Harcourt.*] You are now supposing the manufacturer to be the importer; is not that a very rare case?—No, it is very frequently the case; in fact the manufacturers carry on the China trade to a very considerable extent.

313. What class of manufacturers import teas?—The cotton and woollen manufacturers particularly.

314. Can you name any houses?—I should not like to publish the names of the houses without their permission; it is rather a delicate subject, inasmuch as I have stated that they are experiencing considerable loss. But it is well known; in fact the trade is carried on almost principally by manufacturers in this country, as far as the returns for manufactures go.

315. Mr. *Moffatt.*] In point of fact, are not the manufacturers of this country sending goods out, and the Chinese sending teas home, the principal sources of supply?—No doubt. The Chinese only export their own teas when the prices are so low that there is no power of paying for the teas in China. That has been the case to a considerable extent in the last year. In consequence of the Chinese wanting too large a price the agents would not pay those prices, and, to a great extent, the Chinese sent home the teas on their own account; but the losses have been so terrific that I apprehend they will be cautious in repeating the experiment.

316. *Chairman.*] When the manufacturers refuse to take teas in exchange for their goods, how are they paid?—These last two years they have taken, to a considerable extent, silk; because, although silk was till the last two years a cash article, now it has become a barter article. We have ourselves, through our house, received considerable quantities of silks in barter for manufactures.

317. Mr. *Moffatt.*] Your commercial experience with regard to the tea trade has been acquired as an agent for manufacturers in England in the China trade?—My experience in the China trade is entirely as an agent for manufacturers. I am aware that a very great extent indeed of the China trade is carried on by manufacturers; men of very large capital, men of very great power, who are always to some extent ahead of the consumption, by which means the markets are so thoroughly supplied that the consumption has increased very much abroad everywhere.

318. Mr. *Cardwell.*] As to the increased consumption of silk you speak of, can you trace any connexion between that increased consumption of silk and the change in the duty upon silk?—I am not prepared to say that I have ever marked the increased consumption of silk generally. That which is now in operation as to the silk trade is this, that the China silk being imported in very large quantities last year and this year, and being sold consequently at very low prices, it is actually, from its possessing many valuable qualities for the manufacturer, in point of little waste and great facility of working, and so on, pushing other silks out of consumption. For instance, the Bengal silk consumption is very materially affected by the China silks, and so are the Italian silks, and the Turkey and Persian silks. There is now a very large consumption of China silks. It is presumed that if the present prices continue, and the exports continue to that extent, it will, without any marked general increase of consumption in this country, very materially affect the consumption of other silks.

319. Mr. *Spooner.*] You are speaking of raw silk?—Yes.

320. Mr. *Moffatt.*] What was the duty upon silk from India and China prior to 1840?—I am not acquainted with the duty.

321. *Chairman.*]

321. *Chairman.*] Have you any other documents to lay before the Committee?—I have calculated what the effect on the revenue would be, supposing the 50 per cent. at present expended in tea were expended in other things. Although it would be only one-third saved it would be 50 per cent. on the capital then paid. That is, the consumer would save 1*d.* out of 3*d.*

322. But that is 33 per cent. of his former expenditure?—It is. I have got a calculation showing that the Government would lose very little indeed, only 900,000*l.* a year, if only that saving were reinvested in additional tea. I think all the evidence we have of increase of consumption from reduction of price goes to show that there would be a very large increase of consumption; and my impression is, that the revenue would in two or three years at the outside equal what it is now. There is also another point to which I would allude with reference to a question that was put as to the probable rise of teas in the market: much would depend upon the way in which the duty was carried out; if, for instance, it were known now that the duty would be reduced next year, the Chinese would have ample time, and would be duly informed of the enormous increase in the demand which would take place, and I have no doubt that a very large additional supply would come down, manufactured on purpose. There would be ample time to do that before the season came on, and therefore the very large increase of importation would cause all the merchants to be very cautious as to the additional price they paid, and would keep them, in fact, from speculation. A large import here would also keep down prices; there would be plenty of sellers; and I apprehend the advance would be very little; but if the demand were thrown upon the market suddenly, without any due preparation, of course it would have a great tendency to raise the price. The only other subject upon which I would trouble the Committee is as to the present state of the export of cotton and woollen manufactures to China, and the probable effect of the reduction of duty to 1*s.* a pound. The cotton shirtings shipped from Liverpool in 1845 were 112,372,365 yards. In the last year, 1846, owing unquestionably to the position of the trade, with losing results, in China, and the miserable results in England, the trade being carried on principally by manufacturers who felt the whole consequences of it, the export was only 76,188,949, having fallen from 112,000,000 to 76,000,000. That decrease has been created by the heavy losses sustained by the trade in the sales in China, and in the returns, chiefly tea, to the United Kingdom, the sole cause for which is the want of a sufficiently increased consumption of tea. Our grievance is this, that while the energies of the British manufacturers most amply supply the markets of the world, and among the rest, China, and they are always ahead in some degree of the demand in that country, we have an incubus pressing upon consumption, and preventing the consumption, in the shape of a duty, which now is almost alone as an excessive duty in our commercial legislation. If the duty were moderate, if it were only 100 or 120 per cent., which would be represented by a duty of 1*s.*, there is no doubt that the consumption of tea would be annually largely on the increase; you would provide a market for the increasing importations, and the trade would be kept in a healthy state. As it is, the importations are constantly increasing, but the consumption does not increase in proportion, and there is always a great preponderance of sellers, and the price is therefore consequently always below what it ought to be, to be a remuneration for importers.

323. Mr. *Beckett.*] Are not our exporters of manufactures, when they receive tea in China, tolerably well aware of the price which they will be able to obtain for it in this country?—They may be to some extent, but we know that where the account cannot be made up satisfactorily in that way, hopes and expectations go to some extent, and that parties are influenced a good deal by them, for they have no alternative. The trade of China in British manufactures is almost entirely a trade in barter; consequently, in making their returns, they have only to choose out of bad returns. In fact, if silk is commanding a price in England, and the price in China is only moderate, silk becomes a cash article. The manufacturer is limited entirely to taking tea; then he must take the tea at the lowest price at which he can get it; perhaps not at all sufficiently low to promise a favourable result, but he must obtain the best result that he can.

324. *Chairman.*] Have you any means of stating the proportion of the imports of last year made on account of English manufacturers, and the pro-

*W. Norton*, Esq.

20 April 1847.

portion on account of Chinese merchants?—I have no means of stating that; I should think that the imports, generally speaking, are principally in exchange for manufactures. But if any particular kind of tea by the fluctuations of supply obtains a particularly high price here, we generally find that that tea is laid hold of in China by parties who have cash arising from the opium sales to pay for it. It becomes then a cash article as soon as it is an article more required; but those kinds which have nothing to favour them are, in fact, a payment in barter for manufactures. It cannot be doubted that if the present duty be continued, a further large and rapid diminution of our exports must take place, and it appears almost certain that a very marked falling off in the importation of tea must follow if the present state of the trade continue; thence will result a rise in price here, checked consumption, declining revenue, &c. If by lowering the duty to 1*s.* a pound the consumption should be carried to 80,000,000 lbs. weight in the first year, the effect would be important on our cotton manufactures, the portion susceptible of indefinite increase; 35,000,000 lbs. of tea at 10*d.* would amount to 1,458,333 *l.* 4*s.*; there would be an increase in the consumption of tea in payment for cotton shirtings. If that sum were invested in cotton shirtings (the price is altered since this calculation was made in consequence of a rise in price of cotton), at 8*s.* per piece of 40 yards, it would give 145,833,320*l.* yards, or an increase of nearly double the whole export of these goods in 1846. I mention that to show what an enormous effect there would be. The increase would be almost entirely in the cotton manufactures, and it would have a most important effect upon the cotton manufacturing trade, which is now so distressed. I have no doubt that if, for instance, it were possible that it should become known upon good authority that in the spring of next year the duty on tea would be lowered to 1*s.* per pound, there would be immediate arrangements for exports this year as soon as possible, and an enormous increase of cotton manufactures, in preparing for the very large increase of tea that would be required next year. And there would also be an additional employment of shipping to the extent of 35,000 tons. I have stated the falling off in the cotton manufactures; I will now state the falling off in woollens. The total shipments of woollens to China in the year 1846 were 75,000 pieces of long ells, 8,759 pieces of camlets, 52,963 pieces of Spanish stripes, 5,750 pieces of stuffs, and 9,202 pieces of inferior woollens. The total shipped during the year 1845 was, 93,510 pieces of long ells, against 75,000 in last year; 15,253 pieces of camlets, against 8,759 of last year; 58,515 pieces of Spanish stripes, against 52,963; 7,525 pieces of stuffs, against 5,750 last year; and 10,294 pieces of inferior woollens, against 9,202. The falling off in long ells and camlets is very remarkable, from 93,000 pieces to 75,000, and from 15,000 to 8,700.

325. Mr. *Baring*. What tables are those?—This is not an official return; it is a return of the shipments kept by Messrs. Hayter & Howell, who are one of the most respectable houses in England as packers and furnishers for the China trade. Their packing is known throughout China. They have a character for themselves, and I have reason to know that they keep those accounts with very great care.

326. Could you furnish the Committee with those tables for other years?—I have no doubt that I could.

327. For how many years?—I think it is very likely I might furnish them during the whole of the open trade. I will endeavour to get them. I brought these two tables, because my object was to show how considerably the trade has fallen off. The feeling was that the trade was increasing until lately, from the ordinary impetus and energy of the British manufacturers, but it has become so losing a trade now that it is rapidly falling off. There is another subject to which I wish to allude, and that is the competition to which our manufacturers are subject from America, and which, perhaps, it is desirable to bear in mind. The Americans are rapidly advancing in their cotton manufactures, and they have an article called "American domestics," which is finding its way into China very rapidly, to the diminution of our own cotton goods, our manufacturers being subject to very great disadvantages in the trade, while the Americans are generally making their teas a profitable investment home, because the price is so low in America, being free from duty, that they manage to get that which remunerates them. They are not crushed under an exorbitant duty, which the buyer pays, while the first cost is left out of the question in some measure. The Americans have every facility, though they even sell their cotton goods at a loss, of making it up by the returns of the

tea,

tea, instead of being, as our manufacturers are, in the position of making a loss upon their cotton goods and upon their returns also.

327*. *Chairman.*] In fact, you look upon the duty on tea as acting practically as a duty upon our manufactures, in which we have to compete with the Americans?—Practically, it does. This letter, from which I am about to read extracts, is dated Shanghae, 18 December 1846; it came by one of the last arrivals. It begins, "Twills, both grey and white, are in no inquiry at present, but will doubtless improve at the early part of the year; they have suffered injuriously in value by the late heavy importations of American drillings, measuring 30 yards by 31 inches, which have amounted during the month to no less than 48,280 pieces. The latter goods are very much appreciated, and many extensive sales have taken place, at a cash value of 2.35, 2.40 per piece; the goods have, however, to a certain extent, been forced upon the market, to enable the Americans to complete their tea purchases."

328. Is not that a little like the condition of the English trade?—The difference is this, that the Americans are known, as far as we can ascertain from calculations, to find very considerable profit, and generally a profit upon their importations of tea, because the market is not overdone; the supply is consistent with the demand. They have to pay very little duty, and therefore the consumer can afford to pay them a better price for their teas, so that they can sell their goods even at a loss if it were so, and redeem themselves by the returns. But the British manufacturer is not in that case: if he sells his goods at a loss, he is almost certain of a loss attending him in the realization of his teas also. It is material in the case that our manufacturers have not only to contend against this enormous duty upon tea, but there is another point as to sugar. The manufacturers were on the point, as we supposed, of obtaining another article of return in sugar; and some cargoes came home last year under the prices that were created by the differential duties, giving a preference to free-labour sugar over slave-labour sugar. But I am sorry to say that all that hope is now done away with, as far as we can judge, for it makes a difference of 6 *s.* per cwt. at least in the price of the sugar we were receiving from China; and we now fear that that trade will fall to nothing, instead of extending itself very greatly indeed. The alteration in the duty here, by which slave-labour sugar and free-labour sugar are equalized in duty, makes a difference in the sale of China sugar of 5 *s.* to 6 *s.* a cwt., which would prohibit, in fact, the rise of that trade.

329. Mr. *Ewart.*] Have not the Americans a carrying trade from England to China?—They come to Liverpool. I am not aware to what extent, but they do to some extent, carry away woollens and cottons: I believe woollens to a considerable extent.

330. Mr. *Moffatt.*] Can you give any intimation what was the cost price of those sugars in China which were brought last year?—They were according to the qualities. They were from 3 dollars up to 5.50 dollars per pecul. All that I know is, that those cargoes which came previously to the reduction in the price, arising from the alteration in the duty, paid extremely well; those that have come since have left a loss. Thence I infer that we are not likely to have a repetition, because the Chinese themselves consume all the sugar that they raise, and without an extension of the consumption, the price would not pay.

331. Mr. *Baring.*] How long has this bad state of the China trade continued?—It has been growing from bad to worse since the establishment of the regular trade again, since 1842; but I should say that the pressure has been in the last two years.

332. Has it proceeded getting worse and worse?—Yes; but much more rapidly the last two years.

333. *Chairman.*] Have you anything else which you wish to state to the Committee?—Something was said about opium on the former day. It is a remarkable thing that the British general imports, including India, into China are 2,321,692 *l.*; that is the general export from all the British dominions, chiefly from England to China.

334. Is that including opium?—No, the legitimate exports. The exports from China were 4,492,379 *l.* which would give a balance of trade in favour of China of 2,170,687 *l.*, and if that existed in reality, I can easily conceive that the trade in British manufactures would increase to an enormous extent. But

*Wm. Norton*, Esq.

20 April 1847.

the Chinese have to contend with an opium trade of 45,000 chests, which may be considered at a mean price of 120 *l.*, that is 1,200 rupees per chest, 5,400,000 *l.*, the cost in India, without reckoning the additional cost in China (and the profits have been very large), leaving a balance eventually against China of 3,229,313 *l.* This has been going on for a time. The Chinese it is well known are drained of their silver to an enormous extent. It is a grievance pressing upon China to such an extent that it may in the end oblige them, contrary even to their will, to break off the intercourse in order to stop it, for it is reducing them comparatively to a powerless state as regards their circulation; and it does seem that the British Government, having pressed upon the Chinese (so large a portion of the human race, with their own civilization and their own simplicity as to commerce,) a commercial treaty, which secures the admission of our goods into their ports at a trifling duty, say on the average 5 per cent., while we spread a moral pestilence along the whole coast of China by the opium trade, it does seem as if we were called upon to give to the development of their returns, which they have to pay for this legitimate and unlawful trade, every facility in our power in Great Britain. If the duty on tea were reduced and the consumption of tea increased, as there is every reason to expect it would be, it certainly would be raising up a competition with the opium trade of a very wholesome description. We might hope that we should turn the industry of the Chinese into greater activity, and certainly benefit the cause of morality and good order.

*William Nicol*, Esq. called in; and Examined.

*Wm. Nicol*, Esq.

335. *Chairman.*] YOU are Chairman of the East India and China Association of Liverpool?—I am.

336. In that capacity, and from your own personal experience as a merchant engaged in trade, are you able to give the Committee information upon the present state of that trade?—Upon some points. In that capacity I have had occasion to forward to your Lordship, upon many occasions, memorials and petitions upon this subject from Liverpool. In that town they take a very great interest in the tea question. A public meeting took place two or three months ago, which was very numerously attended, and in which merchants not at all engaged in the China trade took a very active part; amongst others the Honourable Member for South Lancashire. I mention this to show that it is not only those who are engaged in the China trade who take a very strong interest in this matter, but the whole community of Liverpool, to a great extent. Your Lordship has presented one petition amongst others, signed by about 17,000 inhabitants of the town.

337. In what way do you consider it as bearing upon the general interest of commerce? — As bearing upon the interest of Liverpool particularly, being the great outlet open to the manufacturers of Lancashire, and as giving great employment to the shipping and to the mercantile community, in the returns. Liverpool is the great outlet for the manufactures of Lancashire, and a very considerable inlet for the returns made to it; indeed I believe that rather more than nine-tenths of the whole exports of the manufactures of this country take place from the port of Liverpool, and I think that the imports of tea this last year in Liverpool, amounted to fully one-third of the whole imports into the empire. I will not trouble the Committee with a history of the China trade; they have perhaps, been fully informed on those points, but I should like to state one or two things that have occurred very recently in connexion with that trade, to show the bearing of it. A question was raised on Thursday, as to the result of the exports to China, separate from the question of the returns, and as to what portion of the loss upon the whole transactions arose out of tea separately. Now it does so happen that I am able to give this information from rather a disagreeable circumstance. A dispute arose between a manufacturer, who had sent out goods to China entrusted to a house in Liverpool connected with China, who got the returns chiefly in tea. The trade, as has been generally the case, was a very losing one to them. A dispute arose, which was referred to arbitration. I was arbitrator along with two other merchants, and I had occasion to go very minutely into the matter, in order to see the bearing of the different points. I have got the results here in a small compass. The first transaction was in 10 bales of twist and 20

bales

bales of shirting, which with the charges upon them amounted to 886*l.* 19*s.* 8*d.*; that was the invoice cost. The manufacturer fixed his own price, but we had occasion to see that the invoice price had been tested, because an advance was made upon the goods.

338. Mr. *Moffatt.*] To what extent?—To the extent of two thirds.

339. *Chairman.*] It was a fair invoice?—It was a fair invoice. The sale of those goods in China produced, valuing the dollar at 4*s.* 4*d.*, converting it into English money, 717*l.* 4*s.* 9*d.*; so that there was a loss, taking the sale in China, if they converted it into English money, of 170*l.* If the return had been made in bills, I think a further abatement must have been made of something like 12 to 15 per cent., the difference between bills and tea being about that. They had authority from those parties to invest the product in the best manner they could. They found it impossible at Shanghai to procure dollars, and therefore invested the returns wholly in tea. The tea when sold in England produced 470*l.* 15*s.* 4*d.*, leaving a loss upon the consignment to China, and the returns of tea, to the amount of 416*l.* 4*s.* 4*d.* Now this is the exact transaction, which we found, on investigating both the quality of the tea and the invoice of the goods sent out, and all the circmstances connected with it, to be, although a serious loss, not unusal.

340. Mr. *Beckett.*] What was the date?—The date of the invoice was the 5th of November 1844. The date of the sale of the goods was June 1845, in China. The teas were purchased the same month; the teas were returned to Liverpool.

341. *Chairman.*] What was the date of the sale of the tea?—I cannot give that exactly, but it was in two parcels; one of 50 chests, by a vessel called the Hesperus, and 35 chests by the Victory.

342. Dr. *Bowring.*] What description of teas were they?—They were of different descriptions; they were of a saleable class.

343. *Chairman.*] There was no fault with the investments as to the choice of the teas, or the price given for them?—No; there was a question as to the price given for the teas by the Victory, and they were obliged to leave that unsettled; that in fact led to the dispute, and those teas were valued at the price which they have since realized.

344. Mr. *Beckett.*] Are there any other charges to be added to this loss?—No; that includes the whole transaction: this is the nett proceeds.

345. Dr. *Bowring.*] Was this a case of out-and-out barter, or a case in which goods had been sold for money, and the money employed in the purchase of tea?—This was a case of out-and-out barter, and so close was the purchase connected with the sale, that the teas were bought, I believe, to be paid for with the goods. The next was a case of 40 bales of shirtings and 28 bales of twist, which, with the shipping charges and other charges in this country, amounted to 1,753*l.* 18*s.* 9*d.*; those were shipped, and I see that the invoice is dated the 6th of May 1845.

346. Mr. *Beckett.*] Was the invoice price of those tested?—It was tested; they were fairly invoiced, and we ascertained that the teas which came home in return had been fairly bought in the market. That was also a case of barter.

347. *Chairman.*] Are you conversant with the mode of carrying on the barter trade?—Not more than was explained in this case. I have brought this case before the Committee because it seemed to embrace the different points upon which information was desired, and it occurred only two months ago.

348. What is the nature of the transaction when it comes to barter?—In this case the question turned upon a guarantee commission. The parties complaining stated that a guarantee commission ought not to be charged upon those sales, because they were in possession of the teas when the goods were sold, so that they had made the purchase of teas from the Chinaman, agreeing to pay him in goods instead of paying him in money.

349. Then there was no question of money between them?—I presume that a sum must have been named, but it was as a goods' payment.

350. How would the transaction be carried on?—A value would be fixed for the teas.

351. Mr. *Brown.*] Is it not done in this way, that so many taels are fixed as the price of the British goods, and then you agree to take the tea at so many taels in exchange?—Yes; as explained to us, the transaction took place thus: that a quantity of teas, far exceeding these, had been purchased by the house at

*William Nicol*, Esq.

20 April 1847.

Shang-hai, agreeing to pay for them not in cash but in goods, without stating the particular price, that being left to be discussed afterwards. Those teas were shipped, and appropriated according to each man's account, for it embraced other shipments as well as on account of these parties in this case. £.1,753*l.* 18*s.* 9*d.* was the amount of the invoice of the second shipment. It was sold in China for 1,436*l.* 9*s.*, the nett amount of the account sales. The proceeds were invested in 254 chests of tea, which was sold at Liverpool for, nett, 917*l.* 19*s.* 11*d.*, leaving a loss by this second transaction of 776*l.* 18*s.* 10*d.*

352. Mr. *Ewart.*] Was it estimated in China that the 254 chests were worth 1,436*l.*?—Yes; the proceeds appear to have been invested entirely in tea.

353. Dr. *Bowring.*] You do not imagine that a bill of exchange could have been obtained for that value?—No; a bill of exchange could not have been got, except at an exceedingly high rate, unless, as shown in the next transaction, the bill of exchange was their own bill of exchange. In the next transaction the shipment from England was in July 1845 of 16 bales of shirtings; the invoice amount was 487*l* 9*s.* 6*d.*; it produced in China 335*l.* 17*s.* 4*d.*; that nett amount was invested in bills of exchange. It ought to be explained, that when the goods were sold in China, in the list of charges to be deducted from the gross price obtained was, in this case, the premium paid to obtain a bill of exchange, that was 6 per cent. off. The complainant thought that 6 per cent. was a high rate, but on inquiry from other parties we found it was exceedingly low.

354. What was the rate of exchange?—Six per cent. on the transaction. The amount of the bill of exchange was 335*l.* 17*s.* 4*d.*

355. *Chairman.*] Then that was the amount which the manufacturer got back in the bill of exchange?—Yes, instead of 487*l.* 9*s.* 6*d.* The total loss on the three shipments amounted to 1,344*l.* 15*s.* 4*d.*

356. Is that independently of the loss of interest all that time?—No; the interest is added here on the invoice price. This was an enormous loss, and the parties were dissatisfied with it. They referred the matter to arbitration; we found that there was no irregularity in the transaction at all; the teas had been fairly bought, and the goods had been fairly sold. The only abatement we could make from this was the guarantee commission charged. When the teas had been purchased in exchange we conceived that the merchant was not entitled to the guarantee-charge, because he was secured by the teas which he had got; but the only abatement which in justice could be made on the transaction was that of the guarantee commission.

357. Mr. *J. A. Smith.*] Can you account for six per cent. exchange only being charged?—The bill was their own bill on their own agent at home.

358. Dr. *Bowring.*] What is the ordinary *del credere* charge?—Two and a half per cent.

359. Whatever the length of credit be?—The transactions here were as transactions in a case of barter.

360. Mr. *Beckett.*] Was the bill drawn at six months' date?—At six months' sight.

361. That would be equal to seven or eight months' date?—To eight months.

362. Mr. *Brown.*] When you speak of fixing a barter price, is not the transaction commenced in this way between the English seller and the Chinese seller, that a barter, not a money price, is fixed upon the articles, and goods are exchanged upon this basis to balance the account?—Yes.

363. Mr. *J. A. Smith.*] Are there any cases in which goods are exchanged for other goods, without fixing a money value for each?—I am not aware of any. In this very transaction it was shown that the house had purchased teas from the Chinaman, agreeing to pay him in goods, not in money.

364. Not agreeing to pay him goods at a given rate?—The mode of doing it would be, that he would select, at certain given rates, the goods which suited him best, and then (to make use of Sir George Larpent's expression,) it was a "haggling" affair.

365. Dr. *Bowring.*] Were the delivery of the tea and of the goods contemporary?—They were almost contemporary.

366. Mr. *J. A. Smith.*] But it is not always the case that the delivery of the goods and of the tea is contemporary?—No.

367. Is not it the case that sometimes in a transaction of barter they agree to sell the goods, but even the description of goods they are to receive is not stated?—It is not stated sometimes.

368. Dr. *Bowring.*] Are there not cases in which the Chinese sell and deliver tea prospectively, to be paid for by goods to be delivered?—In this case it was so, although the dates were very near; I think there was a difference of a week between the date of the invoice and the date of the account sales; the invoice was a week before the account sales.

369. Conversely, are you aware of any cases where English manufactures are delivered in China with a view to prospective payment in tea?—There must be many such transactions.

370. *Chairman.*] It being afterwards a haggling between the parties at what rate the respective articles shall be taken?—Yes.

371. Mr. *Brown.*] But it is understood between the buyer and the seller, that if the transaction is not closed at the moment, the basis of the transaction shall be a barter, not a money price?—Yes.

372. *Chairman.*] There is an habitual difference ruling in the market between a barter and a money price?—Yes, a difference of 12 or 15 per cent. between a barter and a money price. I will refer to another paper here which I have made out for the purpose of showing, in a small space, these operations in another form. I have taken four leading articles, which I have taken in small quantities, to make it more intelligible to the Committee. A ton of nail rod iron—nail rod iron is iron in a form of which the Chinese take a considerable quantity. It costs in this country 10*l.* 5*s.* My object in this is to show the difference of the duty paid to the Chinese on our exports to China, and the duties paid on teas in this country. A ton of nail rod iron in this country would be worth 10*l.* 5*s.*, it is sold in China at the price of 13*l.* 4*s.* 7*d.*; reduced to English money it pays a duty of 15*s.* 5*d.* a ton to the Chinese government. It admits of the purchase of 255 lbs. of tea; I have taken the tea at 20 taels a picul, the actual cost of which would be 11*l.* 13*s.* 3*d.* The duty paid in England upon the transaction would be 27*l.* 17*s.* 10*d.* on tea, which is the produce of one ton of nail rod iron, the Chinese having received 15*s.* 5*d.* duty, and the transaction involving an investment to start with of 10*l.* 5*s.* I have made the same calculation on a truss of Spanish stripes, woollens, six pieces, 29*l.* 14*s.* would be the invoice cost in this country. The duty paid in China would be 1*l.* 5*s.* 3*d.*; if re-invested in tea, it would purchase 703 lbs., costing 32*l.* 1*s.*, and the duty to the government upon that tea, 2*s.* 2¼*d.* per pound, would be 76*l.* 17*s.* 9*d.* The next is a bale of 50 pieces of grey cottons, an article of common consumption in China, costing here 22*l.* 10*s.* The duty on that to the Chinese government would be 1*l.* 10*s.* 8*d.* per bale. If re-invested in tea, for which I have taken tea purchaseable at 20 taels per picul, it would be re-invested in 529 lbs. weight of tea, costing 24*l.* 3*s.* 5*d.* The duty to the Government on that would be 57*l.* 17*s.* 2*d.* I have taken next an invoice of cutlery of 100*l.* in value, which would pay a duty in China of 6*l.* per cent. If re-invested in tea, it would purchase 2,344 lbs. of tea, costing 106*l.* 16*s.*, producing a revenue to the Government here of 256*l.* 7*s.* 6*d.* These were prepared for the purpose of showing, in a small bulk, the nature of the taxation both in China and here. Some reference has been made to American competition; I requested to be furnished with this statement upon that subject. The person who made it out, and who is well acquainted with the trade, complained very much that in the last year the Americans had been buying up a great deal of tea at a price exceeding by 20 per cent. what could be afforded to be paid for it by the English merchants. I requested to be furnished with the result, as far as he knew or could get information of the result, of the teas sold in America, as compared with the selling value of such teas in this country. In America it is duty free; in England tea is taxed 2*s.* 2¼ *d.* a pound. Hyson Skin of average quality, costing 20 taels a picul, is stated to have sold in America at 1*s.* 2½*d.* per pound, the value in England is 10*d.* per pound. The Americans use green tea very much. Young Hyson, of average quality, costing 26 taels a picul, produces in America 2*s.* 2*d.*; in England 1*s.* 6*d.*

373. What do you take the dollar at?—I can only give the information furnished here. I presume that it would be taken at 4*s.* 6*d.* the dollar. Hyson,

*William Nicol*, Esq.

20 April 1847.

at 40 taels per picul, produces in America 2 *s.* 4 *d.* per pound; in England 2 *s.* It is stated in this paper, that "the Americans take their returns almost entirely in low green teas, and it is generally understood that they have sold them at prices to give fully 4 *s.* 6 *d.* for each dollar of cost."

374. Mr. *Harcourt.*] Why do you conceive the American prices to be so much higher?—Teas of this description, costing 20 taels a picul, have been sold in this market at 10 *d.*, and my informant states, that similar teas, as extracted from his correspondence, are producing in America 1 *s.* 2 ½ *d.*

375. Dr. *Bowring.*] If the price in America is so much higher than the price in England, why are not the returns for English accounts made by way of the United States?—I presume we should soon equalize the two markets if that were done.

376. Is it not the fact that a good many remittances for the English account are made through the United States, in consequence of the better condition of the American markets?—I have heard so, but I cannot speak of my own knowledge.

377. *Chairman.*] When you speak of a higher price realized in America than in England, it is in consequence of the duty here compelling the merchant to accept a lower price in this country?—Yes. The reason I produce this paper is, a question was asked on Thursday of one of the witnesses, if the duty on tea were lowered to 1 *s.* a pound, would there not be an advance in the market equal to a considerable portion of the abatement of duty. I produce this to show pretty nearly what the difference is between a free import and one shackled with a heavy duty; that the tea in America being free altogether, the difference on the average may be something like 25 per cent. in the result of what is sold in a free market, as compared with a market shackled with a heavy duty. So that I am led to assume that if the same state of things existed in England, the result would be something like this, that if such a reduction as that which has been spoken of were made, the trade might absorb 25 per cent. of the abatement, leaving the other 75 per cent. to the consumer.

378. Mr. *Moffatt.*] You do not attribute the excessively low price in England to the excessive supply?—No, to the high duty.

379. Mr. *J. A. Smith.*] Do not you think that the largeness of the demand in England exercises any effect upon the trade?—Undoubtedly.

380. Is there any large stock in America?—I am not aware; indeed I know almost nothing of the American trade. I asked for this information, and it was sent to me in that shape.

381. *Chairman.*] But that large stock would disappear if you were able to sell to the consumers at a considerably reduced price?—There is no doubt of it.

382. Dr. *Bowring.*] Is not one of the consequences of the unsatisfactory state of things which you have been explaining, to supplant the direct trade with China by an indirect trade?—Yes; but tea is so universally suited to the taste of the English, and so little used by foreigners, except the Americans, that the door is almost shut for such operations in tea.

383. As far as such operations can be undertaken, is not it one of the unfortunate results of our present relations with China, that the trade which might be directly carried on between England and China is seeking another course?—Yes.

384. Mr. *Harcourt.*] For the improvement of the trade does not it appear necessary that the prices of tea in China should be lower, and the prices of English manufactured goods higher; and would that be likely to happen if the demand for tea were increased up to 80,000,000 lbs., and if the supply of manufactured goods were larger than it is now?—Upon that point I was about to ask permission to read a letter which I have received by the last mail from China, from a gentleman who has been long there actively engaged in the tea trade, Mr. Gilman. I give his name, because it is known to those who are familiar with China. It is dated Canton, the 26th of January 1847. He refers to a letter which had been sent out from this country, and he says, "In the discussions upon the reduction of duty, we see it frequently stated that China could not produce a sufficiently increased quantity of tea to allow consumption to make

make up to any extent for the loss which, under a change, the revenue would sustain. It might be thought that the fact of the export having risen from 32 millions under the Company's monopoly to about 57 in the past year, though during the interval we have passed through a long war, and the trade itself has been generally anything but a profitable one, would sufficiently answer such a statement. In addition to this fact, however, if it be remembered that the whole of this enormous population are more or less tea drinkers, it must be evident that the quantity that the country could produce under the encouragement of steady and remunerating prices, is almost incalculable. True, the tea generally drunk by the Chinese is quite unfit for use in England; and therefore no greatly increased quantity would probably, the first year after the reduction, be available; but the natives would soon learn to manufacture it more to the foreigners' tastes, and the cultivation would be soon extended to districts where probably little or none is now grown. We believe it is not generally known in England that the Mining Congou, now so much in favour, used to make its appearance in Canton long within the writer's memory in the form of very inferior and ill-flavoured Hyson. A few chops of Congou then appeared, which gradually increased, until now a very large proportion of the season's supply consists of this description, though a great deal of it is of very common quality. We believe, then, that in a short time, under remunerating prices, any quantity of tea could be brought forward for sale; but we are confident it cannot be made, and the supply will some time or other greatly fall off, if the prices lately ruling continue. Few men can work harder and fare harder than the Chinese, and of the cost of tea so large a part is expended in wages for making, carriage down the country, expensive packages, extensive damage, transit dues, and shipping off duties, that it is impossible that it can long be produced below certain rates. Were the leaves to be had for nothing, the charges named cannot be reduced, and without the hope of reimbursement, will not be incurred."

385. Dr. *Bowring*.] Do you imagine that that Hyson which has now been changed into Congou is the same tea, though manufactured in a different way?—I believe so.

386. Congou being black and Hyson green?—Yes.

387. *Chairman*.] You imagine that the trade conducted upon this basis, cannot long continue to the extent to which it has hitherto been carried on?—I think it cannot. I believe that it will be found this year that a very large proportion of the shipments of tea, brought to this country, will be on Chinese account. At the prices at which they are taxed, of course the English merchant could not afford to bring them, and they will be shipped on Chinese account; so that the English seller has not only to contend with adverse circumstances, but to contend with the Chinese in the market, because they have sent home a tea which he was unable to purchase on his own account.

388. Dr. *Bowring*.] Do you agree with Sir George Larpent as to the inconveniences of an *ad valorem* duty on tea?—To a great extent I do. I was one of those that were inclined to think the principle of an *ad valorem* duty a sound one; but I confess I was staggered with the information given me by those intimately conversant with the trade; they found so much difficulty in it, that I confess my opinions are very much shaken upon the point.

389. Have you made any estimate as to the augmented sale which the reduction of the duty to a shilling per pound would probably bring with it?—I agree with those who have given evidence before, that there must be a very large addition; of course varying with the means of the people to buy. We have rather a remarkable instance in Ireland at the present moment, that notwithstanding the famine in Ireland they buy more tea, and I believe they buy more sugar and more coffee; but of tea I can speak positively, that they buy a much larger quantity than they bought before; I believe arising from the circumstance that now they have money, and before they had only potatoes.

390 Mr. *J. A. Smith*.] Has it not been found that periods of mercantile distress, and want of employment in the manufacturing districts, have been marked by an increased consumption in tea?—I believe that the poor will always buy tea if they are unable to buy liquor, or to buy beer. Where women have to labour for a very small amount, at female employments, almost their only sustenance is tea and bread.

*William Nicol*, Esq.

20 April 1847.

391. Mr. *Brown.*] Can you state what allowance the navy get in tea and coffee?—I believe the allowance of tea to be seven ounces per month. Mr. Winch, who is in the room, can state those details better than I can, but I understand it is seven ounces a month—84 ounces a year. As matter of curiosity, I made some inquiry amongst my neighbours, and the information I got, which my own experience confirms, is, that the class of domestic servants, who have an economical supply of tea afforded them, use about seven pounds a year per head.

392. You mean when supplied by the master?—Yes; I mean when economically supplied, and when, if they exceeded it, it would be noticed immediately.

393. Dr. *Bowring.*] Is not it very customary to allow two guineas a year to servants to find their own tea and sugar?—Yes.

394. Mr. *Brown.*] Do you happen to know the consumption of sugar allowed to domestic servants?—I think the usual calculation is between four and five pounds of sugar for each pound of tea.

395. Mr. *Spooner.*] Your evidence goes to confirm that which has been given before as to there having been a very heavy loss upon the China trade. Can you account for its continuing so many years?—I do not know that it has continued many years; it has been liable to fluctuations; it has been gradually becoming worse since the Peace with the Chinese, and since the opening of the trade. Goods in this country were cheaper some time ago, in consequence of the low price of the raw material, and larger shipments were made than would have been made otherwise; and though people might calculate upon getting returns in bills, that was found impracticable, and they had to sustain further losses in tea; but there is a considerable falling off this year in the exports to China.

396. Dr. *Bowring.*] Do you believe that the aggregate result has been one of loss?—I believe it has.

397. Mr. *J. A. Smith.*] With regard to the statements you have made of losses upon shipments to China; have you selected them as fair, average statements?—The statements I have put in are facts which absolutely took place.

398. Do you put them before the Committee as very unusual, extreme cases of loss, or what you consider fair, average cases?—No; we ascertained that it was a fair, usual transaction; that the sales were fair sales could not be disputed, and that the investment in tea had been a fair investment of tea, at fairly corresponding prices with the average of the season.

399. Dr. *Bowring.*] And that the goods were judiciously selected for the Chinese market?—They were pointed out by the agent who recommended them to be sent out.

400. Mr. *J. A. Smith.*] Have you any doubt that since 1842 the general course of trade between England and China has been one of loss?—My impression is, that it has been one of loss, increasing latterly more than before.

401. Mr. *Baring.*] Has the export of cotton goods to China diminished in consequence?—This year, decidedly, it has.

402. But since 1841?—They were largely increased in 1845; there was a large increase of export of cottons in 1845; the prices were low in this country, and Shang-hai was discovered to be a very large market.

403. Dr. *Bowring.*] Do you know of any means of improving the trade besides a reduction of the duty on tea?—I see no other means of improving it but that. I think that tea cannot be produced cheaper than it is now in China. Indeed, in a former letter from the gentleman whose letter I read, I think he mentions that the charges in the mining district amount to very little short of 8*d.* a pound. His calculation was, that 1*d.* only remained for the grower; that the expenses altogether of conveying it to the port of export would involve the rest of it.

404. Mr. *Baring.*] You stated that you thought that this year the trade would be carried on entirely on account of the Chinese themselves?—That is the general impression, arising out of the disinclination of English merchants to pay the prices demanded in China.

405. Would the English exporter of cotton goods be paid in China if the Chinese exported the teas themselves?—That accounts for the badness of the trade

trade. The merchant has to make his calculation that he must take his payment in teas, and the transactions have been diminished in consequence.

406. If the main part of the tea comes in upon the China merchant's account, how will the English exporter of goods be paid?—He must of course submit to the loss.

407. Will he be paid in money?—No.

408. Mr. *Matheson.*] The surplus that is not taken by the English merchant will be sent home by the Chinese merchants on their own account?—Yes; the quantity of tea sent from China is considerably in excess of the goods sent out from this country.

409. Mr. *Baring.*] But will the English merchant still be obliged to take tea in exchange, or receive bills for his goods?—He may get bills drawn by the Chinese. The Chinese ship those goods under advances; he may be able, at a great sacrifice, to get the result of those shipments in return for his goods.

410. Then *pro tanto* the barter trade will be put an end to?—As far as that is concerned.

411. Dr. *Bowring.*] What motive can the Chinese merchant have to send teas to this country in the present state of the markets?—He cannot sell them otherwise; they are not calculated for that country.

412. Could the teas come into the hands of the merchants at Canton except by purchase?—I cannot speak to that.

413. Mr. *Brown.*] Do not they come into their hands in the same way that the teas or other goods come into the hands of the merchant in the interior, the merchant buying them with the intention to resell or to export them?—Yes.

414. Is not the mode in which the Chinese are paid this, that they receive back either a bill of exchange or goods, as they find it most to their own interest?—Yes.

415. Mr. *J. A. Smith.*] In the case alluded to by Mr. Baring, is not the result practically the same: if a Chinese merchant ships teas to England, and draws upon them in advance, is not the person taking those bills obliged to submit to a reduction of 12 or 15 per cent.?—Yes, still keeping up the difference between the cash price and the barter price.

416. Mr. *Moffatt.*] If a man sends out 10,000 *l.* worth of goods, can he always get bills in payment?—We are informed not. As to the falling off in the shipment of goods from this country lately, I have a statement that this year the shipments of printed and coloured cottons from Liverpool to China in the first three months were 37,874 yards, against 82,000 last year.

417. Mr. *Baring.*] For what other years have you got them?—For the last three years. For the whole year of 1845 the shipments were 2,910,244 yards, in the whole year 1846, 2,184,237 yards; that is, of printed and coloured cottons, and the others are corresponding with those. In 1847, as far as we have gone, the first three months, in the same description of goods, the shipments were 465,003 yards, against 500,531 in 1846.

418. Dr. *Bowring.*] Are you aware whether the opening of the trade with China has led to the introduction of articles which were not used during the East India Company's monopoly?—To a small extent it may be so, but the exports to China are limited to a very few articles, to grey cottons, and to woollen and to coloured and printed goods to some extent, but the great bulk is in plain goods.

419. Have any new articles of Chinese produce been introduced into this country since the abolition of the monopoly?—The silk trade has increased very much, and sugar has been brought, which has not been very profitable.

420. Mr. *Spooner.*] Do you know whether the export of nail rods has increased since the opening of the trade to China?—I am not able to say.

421. Mr. *J. A. Smith.*] Are you aware of any particular causes which interfere with Hong Kong becoming a depôt for sugar?—No, I am not.

422. Mr. *Brown.*] Does not our trade to China altogether depend upon their ability to pay for British goods by the export of their teas directly to this country, or through some other channel?—I should say directly to this country. I know of no other channel to any extent worth thinking of, through which it could be carried.

*William Nicol*, Esq.
20 April 1847.

423. Dr. *Bowring*] Through our colonies?—That would be too circuitous. A manufacturer sending his manufactures from this country to China, would not be satisfied to have the result of them invested in tea to Australia, and then brought back again. The returns from Australia would be almost as bad as the returns from China.

424. Then it depends upon our ability to consume tea, silk, sugar and other articles which China may be enabled to furnish. Upon that solely depends the quantity of dry goods or other English manufactures which we are able to vend in that country to advantage?—Yes.

425. Mr. *Ewart.*] Opium plays an important part?—Opium plays a very silent and a very important part,

426. *Chairman.*] Do you find that the changes in the opium market in China affect the sale of English goods?—No. Were it a case of cash payment it must do so; but as it is a case of barter it is less likely.

427. Viscount *Jocelyn.*] Have you heard of any instances practically where there has been an exchange between opium and tea?—No; they have not come to my knowledge. Persons who have resided in China could speak better to that.

428. Dr. *Bowring.*] With reference to the transactions of which you gave an account, what was the port to which the goods were consigned?—To Shang-hai.

429. Mr. *Brown.*] Assuming that it were possible to do away with the opium trade, would it not very much increase the export of British manufactures to China?—I should think so. The balance in that case would be very much in favour of China, whereas it is now very much against China.

430. Mr. *J. A. Smith.*] Do you think it a possible thing to do that?—I think it must be a work of time for the Chinese to take as great a quantity of our goods as would be required.

431. Do you think it possible to induce them to give up the use of opium?—I should doubt it very much, but I have no personal knowledge upon that subject.

432. Mr. *Brown.*] Are you aware whether the Chinese can grow opium to any extent at home, in the event of their ceasing to import it?—I have understood that they do grow it, but to what extent I do not know.

*Walter Buchanan*, Esq. called in; and Examined.

*W. Buchanan*, Esq.

433. *Chairman.*] WHAT is your connection with the China trade?—I am partner in a house trading for many years to Singapore, and have been in the habit of making remittances to China,

434. Have you been in those countries yourself?—No, I have not, but I have had occasion to have my attention constantly directed to that trade for 12 or 14 years.

435. What are the difficulties which you find principally in the present state of the trade?—Latterly the difficulties have been the very heavy losses made upon tea, which is always the principal means of remittance from China.

436. The export trade of British manufactures depends almost entirely upon the power of taking tea in exchange?—I consider, as far as China is concerned, that the limit of our trade with China must be the extent to which we can consume tea and other Chinese produce.

437. Is there any other article which forms any very large part in the English consignments?—Latterly, silk has been a very large means of return. There were 20,000 bales of silk imported last year from China, from Shang-hai and Canton. I suppose that it might be valued at from 60*l.* to 70*l.* a bale; taking it at 60*l.* that would be worth about 1,200,000*l.*

438. Dr. *Bowring.*] Does any silk come to Glasgow?—I think not, by direct import.

439. *Chairman.*] What is the particular information that you wish to convey to the Committee?—I wish to give my own experience regarding the unfortunate results of the export from China, particularly in tea. I think it is better to give results that arise from personal knowledge than in any other way. With a view of putting the Committee in possession of the experience which I have had, I may mention that I took from the books of the company in which I am concerned, before I left home, the out-turn of 37 invoices of tea imported during last

last year. The first cost was 639,168 dollars, which, at 4 *s.* 4 *d.*, would be about 140,000 *l.*, and I find the result to be 3 *s.* 9 *d.* per dollar. The exchange being then 4 *s.* 4 *d.* or 4 *s.* 5 *d.*, makes a loss of 15 per cent. If you raise the exchange to 4 *s.* 6 *d.*, of course it is a larger loss. Now I consider that rather a favourable result; and the reason why I presume that these out-turns are better than in many other invoices is principally this, that those invoices of tea were not altogether, indeed not principally barter transactions. The remittances which my house is in the habit of making from Singapore are of different kinds, frequently in goods that are saleable for cash, sometimes in opium, sometimes in Straits' produce of various kinds, sometimes in bills; and consequently these invoices to which I allude were purchased not by goods, but partly by cash.

440. Dr. *Bowring.*] Representing exports principally from Singapore to China?—Yes.

441. Do those exports consist principally of British goods?—Scarcely at all.

442. Mr. *Brown.*] Are the quotations which are received from China from time to time, of the rate of exchange per dollar, predicated upon the barter price, or upon the cash price of the bills?—Upon the cash price of the bills always. It is a quotation in English money. The dollar is worth 4 *s.* or it is worth 4 *s.* 6 *d.*, according to the state of the market.

443. When you send a bill of exchange for a certain amount of dollars, that is cash?—Yes; the bills to which I allude are not English bills, they are bills drawn at the Straits upon Canton. Of course those are in dollars, and the dollars they produce are cash.

444. *Chairman.*] Of course anybody dealing with money in his hand makes a better bargain than with goods?—Yes; I merely mention that to show the result of the trade, because I consider that these invoices have given a better result than usual.

445. And you attribute the bad result of those shipments to the high duty upon tea, taxing the consumption in this country, and reducing the prices?—Yes.

446. Dr. *Bowring.*] Is it the ordinary course in Singapore to send credits upon Canton or other Chinese ports for the purchase of tea?—I am not aware; my object in sending the proceeds of sales made in Singapore to China is to endeavour to improve the result.

447. Do you send money or credit?—Bills, or money, or produce.

448. Mr. *J. A. Smith.*] Have you any other statements of a similar kind going further back than last year?—No; but the results have varied from year to year.

449. Since 1842?—Since 1842 the result of the trade may not have been, upon the whole, unprofitable; but, of course, a person who goes into the market in China under favourable circumstances, and with the best information regarding the state of the markets here, may at times purchase particular investments of tea that give better results than others; and during the period mentioned, the results have been various.

450. The question refers to your own transactions?—I only speak of my own transactions.

451. To what do you attribute the losses particularly in the last year?—The low price of teas here is the cause, and that is owing to over-supply. It is the high duty that makes the present supply excessive.

452. *Chairman.*] If the duty were lowered you have no doubt that a larger consumption would take place, and that the supply of tea would not be in excess?—With lower prices there would be increased consumption.

453. Dr. *Bowring.*] Would not one of the probable results be, that the lower amount of the duty would have the effect of increasing the net price?—Yes, the net proceeds of the invoice of tea sold in this country.

454. Mr. *J. A. Smith.*] Have you formed any idea as to the effect of a reduction of the duty upon the increased consumption of tea in Glasgow or in Scotland generally?—I do not think it is very material to separate Glasgow or Scotland from the general trade of the kingdom, because the direct importations to Glasgow are not upon a large scale. What is not supplied direct, is supplied coastwise from Liverpool and London.

455. Have you formed any idea as to what would be the effect upon the increased

*W. Buchanan*, Esq.
20 April 1847.

increased consumption of a reduction of the duty?—I have no doubt that the increased consumption of tea in Scotland would be equal to any other quarter of the kingdom. It is decidedly the taste of the country.

456. Is it an increasing taste?—I should say so.

457. Dr. *Bowring.*] Are your account sales of goods imported into the Clyde?—Into London principally; also into the Clyde, and into Liverpool. In 1844, there were six vessels cleared inwards to the Clyde, of 2,000 tons.

458. From what ports in China?—From Canton altogether; there have been no vessels from Shang-hai as yet. In 1845, there were six vessels of 3,654 tons; in 1846, there were three vessels of 1,100 tons; and in 1847, there have been five vessels, and two of those sugar-loaded.

459. What has been the result of the importation of sugar into the Clyde?—Not very favourable; the sugars have realized about an exchange. I think it is not likely that sugars will continue to be a large means of import from China. I think that Brazil and Havannah are likely to send their sugars cheaper.

460. Viscount *Jocelyn.*] Is there any new article of import from China since the opening of the trade?—Hemp, or Chinese grass has been imported, but there have not been many buyers of it in this market. I should judge by the present quotation, that it is not paying the importer at the price at which it can be now sold.

461. In the course of your transactions with Singapore and China, have you seen lately any transactions for exchange between opium and tea?—I am not aware of any exchange between opium and tea, but I know that opium was a very general exchange against silk at Shang-hai last year; that is quite a new feature in the trade.

462. Mr. *J. A. Smith.*] Do you know the result of any of those experiments which have been made about the Chinese grass?—I do not know; I only know that it has not been in very great demand. I have heard the opinion of many practical men as to its being likely to answer; but I presume that some change in machinery is necessary before they can work it up, and it will be some time before they can ascertain its suitableness to the manufacturers.

463. Dr. *Bowring.*] Have you among the Glasgow manufacturers any demand for new articles in consequence of the opening of the trade from China?—I think not. The China trade generally is not one for which the Glasgow manufactures are much adapted. Our interest is that the whole trade should prosper. It is obvious, that if Manchester exports more of her shirtings to China, that will make room for Glasgow to send to other markets to which her fabrics are suitable; but there are not many manufactures sent from Glasgow to China; the principal article is twist.

464. Do many of the Glasgow manufactures come directly in contact with the Chinese consumer?—They do send, to a certain extent, Glasgow manufactures to China, and twist to a considerable extent.

465. Mr. *Beckett.*] Have you any means of knowing whether our woollen manufactures find great competition from the Russian woollens in China?—My knowledge is not of that kind to enable me to answer that question. I know one thing, that the English, on opening the trade to Shang-hai, made attempts to imitate the Russian goods, and I believe with no success; they were not found saleable.

466. Dr. *Bowring.*] Has Singapore been used by other nations as a depôt for the Chinese trade?—There is a very considerable trade with all nations at Singapore. They frequently call there with a view of going on to China to load teas, and they take Straits produce.

467. Are assorted cargoes made up at Singapore?—Yes; but the principal articles obtained are pepper, tin, kallans, and other things.

468. Is there any considerable trade between the Chinese ports and Singapore, in junks?—There is a very considerable trade with Amoy, on Chinese account, particularly last year. There is also a large junk trade from various other ports.

469. *Chairman.*] Is the Amoy trade improving?—It is very much in the hands of the Chinese from Singapore.

470. Dr. *Bowring.*] Can you give the Committee any information as to the general character of the trade from Amoy, carried on by the Chinese with Singapore?

Singapore?—The trade between Singapore and Amoy, as carried on by the Chinese, is principally in rice and cotton.

471. *Chairman.*] They live upon imported food?—They do in part.

472. How do they make their payments?—They send down a great many articles which are not suited for the European market at all. They send articles for the Indian market; also for Java, Sumatra, &c.

473. Are there any Chinese merchants settled at Singapore?—Yes; the principal traders are Chinese.

474. There are Chinese at Singapore having permanent mercantile establishments?—There are.

475. Mr. *Spooner.*] What has been the result of your experience; has the trade, upon the whole, been profitable between England and China since the China trade has been opened?—My own individual experience scarcely enables me to answer that question. My knowledge of the China trade is principally from Singapore to China. I have no doubt that within the last two years the trade has been very unprofitable.

476. Mr. *Baring.*] 1845 was a year of great activity?—Yes; and in that year the profits upon many kinds of teas were good, particularly upon green teas.

477. But since then it has been an unprofitable trade?—I have given the result, which is very bad in 1846.

478. Dr. *Bowring.*] Singapore is a free port?—Yes.

479. Are the charges at Singapore heavy?—No, very light.

480. Singapore is very advantageously placed between Europe and China?—Yes, and between India and China.

481. Is the Singapore trade increasing?—I do not think that of late years it has increased very much. It increased very rapidly the first ten years of its establishment. It is still increasing, but not to a very great extent.

482. Mr. *Brown.*] Assuming, that from the high price of teas in this country, in consequence of the duty upon tea, the importers of tea are unable to get a fair price for their importations, will not our inability to get a fair price for the teas here decrease our means of meeting the competition of America in China in cotton goods, and our ability to send goods to those markets with a profitable result, and consequently decrease our ability to consume the teas in this country, and decrease the revenue?—I think so most obviously; and I should be anxious to corroborate Mr. Nicol's statement that there seems no probability of the price of tea being reduced further. I can put in a statement embracing the price of the lowest class of Congou. I think there is no chance of our being able to increase our imports of tea from a reduction in price of ordinary Congous and other low teas.

483. You think that the Chancellor of the Exchequer cannot expect to retain the same amount of revenue from the existing duties which he receives now?—I think not, in a period of manufacturing depression.

484. Because it is a revenue that arises from the losses of the merchant?—Yes. According to this statement, the cost of low priced tea is as follows: the expense of chests, lead, mats, and carriage from the tea country amounts per picul to five taels four mace. The duty and Hong charges are at least three taels, making eight taels seven mace. The interest and loss, and damage in bringing down, varies from 2 per cent. to 10 per cent. Taking it at 5 per cent. it would be 43 mace, which gives a total of nine taels one mace. It will be seen how impossible it is for the commonest Congou to be made to sell at 9 *d.*, which at the exchange of 4 *s.* 4 *d.* is equal to 12 taels; as the above calculation, which may be relied on, leaves little more than two taels per picul to remunerate the grower and manufacturer.

485. Mr. *J. A. Smith.*] Have you any apprehension of an increase in the price in China?—I do not think that a monopoly is possible. If there had been any possibility of a monopoly in China they would not have allowed the price of fine Congou to fall as they have, from 40 taels last year to 27 taels this year.

486. Mr. *Moffatt.*] You do not think that the price will increase in case of an increased demand?—I think the Chinese cannot combine to increase prices.

487. Mr. *J. A. Smith.*] You have no fear of an increase in the price in China from an increased exportation of tea from China?—My belief is that in China, as everywhere else, the price must depend upon the demand.

*Jovis, 22° die Aprilis*, 1847.

MEMBERS PRESENT.

| | |
|---|---|
| Mr. F. Baring. | Viscount Jocelyn. |
| Mr. Beckett. | Mr. Matheson. |
| Dr. Bowring. | Mr. Moffatt. |
| Mr. Brown. | Viscount Sandon. |
| Mr. Ewart. | Mr. J. A. Smith. |
| Mr. Harcourt. | Sir George Staunton. |
| Mr. Hawes. | |

VISCOUNT SANDON, IN THE CHAIR.

[The Petition of certain British subjects, residing in China, engaged in mercantile pursuits, referred to this Committee, was read.]

*Thomas Augustus Gibb*, Esq., called in; and Examined.

*T. A. Gibb*, Esq.

22 April 1847.

488. *Chairman.*] WHAT has been your connexion with the trade in China?—I have been settled in China some 10 or 12, or 14 years, as a merchant and agent there.

489. At what place?—I have been at Canton, and latterly up at Shang-hai.

490. Where are you last from?—Hong Kong.

491. Have you been acting on your own account, or as connected with a mercantile house there?—I am connected with a mercantile house, Gibb, Livingston & Company.

492. You have seen the trade with China under various circumstances?—Under various circumstances, for some years past.

493. Mr. *Matheson.*] You were in the service of the East India Company?—Some years previous to settling in China.

494. Dr. *Bowring.*] Were you in the civil service?—I was a purser in the Company's service for many years.

495. Mr. *Ewart.*] How long have you been in Canton?—I settled in Canton in 1834, and have been there ever since, with the exception of short visits to this country twice or thrice.

496. Is your experience confined to Canton, or does it extend to other parts?—I spent 10 months in Shang-hai, previously to leaving China.

497. Only in Shang-hai?—Only in Shang-hai.

498. Dr. *Bowring.*] You have not visited either Ningpo or Amoy?—Neither.

499. *Chairman.*] What difficulties are experienced in the extension of the trade with China?—Very great difficulties in getting a return for anything we have for sale. When our export of tea reaches pretty well the usual consumption of the country, of course we have been afraid to make further purchases of tea lately, and we have had no other article except tea to any extent. The last two or three years we have entered very largely into silk. I think our exports jumped up from about 4,000 bales to 20,000.

500. Dr. *Bowring.*] What is the value of the bales?—Weight 104 or 105 pounds. I should say that within the last 18 months, I should put down a bale at about 60 *l.* or 70 *l.*

501. Mr. *Ewart.*] What has been the amount of export of raw silk altogether?—It is not yet made up; but I should say 20,000 bales, within a few hundred, more or less.

502. Dr. *Bowring.*] Has the price risen in China on account of the greater demand?—No; the price of raw silk has been much lower the last 18 months in China.

503. Is the power of producing silk very great?—We only obtain our information at second hand; we are not allowed to go into the interior.

504. Mr. *Ewart.*] What is the proportion of export of silk from the different ports?—Taking the export at 20,000 bales, I should put down the export from Canton at 4,000 bales, and from Shang-hai at 16,000 bales.

505. Shang-hai is in the silk district?—Yes.

506. Mr. *Moffatt.*] You stated that silk is lower in price than it was previously since the large export; how much per cent. is it lower upon the average?—Our large export took place in 1836 or 1837; the prices ruled at that time at 420 or 400 dollars per pekul upon the average for Taysaam, and perhaps 520 to 530 for Tsatlee. I should say that silk has averaged, within the last 12 or 18 months, perhaps 400 to 430 for Tsatlee; 280 to 320 for Taysaam.

507. It is a reduction of 30 per cent.?—Very nearly.

508. *Chairman.*] What has been your experience upon the same point with reference to tea, as to the effect of the increased demand in China?—The prices varied so much according to the prices ruling in this country, that is difficult to say.

509. The supply of tea in the Chinese markets has very much increased in the last five years?—Yes.

510. Have the prices risen with that increased demand and supply?—The price of the consumable teas has been lowered the last 12 months; the prices have varied very much since the free trade. Teas that we bought at 32 and 33 taels per pekul, two years previously we paid 43 and 44 for; but they were selling in this country at comparatively higher prices.

511. But the object of the question is, to ascertain your opinion of the effect of an increased demand in this country upon the prices paid in China?—The effect will be, I have no doubt, to increase the price in China; but that will be only temporary.

512. Has your experience borne out that opinion?—Yes; supposing there is a large demand in China for tea, the price immediately rises considerably; but then it causes a very large quantity to be brought down the following season, a larger supply than the demand is for; consequently if we pay dear one year, we should get it at a lower price in the following year.

513. Can you state any facts which bear that out, both as to the immediate effect of an increased demand in raising the price, and the ultimate effect in lowering it?—I remember when we had a very considerable demand for a particular tea that was called the Pekoe-flavoured Congou; those teas, which we could buy in the Company's time at 29 and 30 taels, we paid one year 43 and 44, and as high as 45 for the same tea.

514. Do you recollect when that was?—I think in 1844.

515. There were no peculiar circumstances of war to raise the price?—No; it was after the war.

516. It was merely from the stimulus occasioned by the demand for the particular quality?—Yes. The consequence of that was, that in the following year we had a very large increase of that particular description, and we bought the same tea at 10 taels less.

517. Dr. *Bowring.*] Have you any means of knowing the influence which the fluctuation in the prices of tea in the ports of China has upon the prices in the interior?—Not at all; we derive no information from the men who bring the tea down, and who buy small parcels of tea from different growers.

518. Are you aware whether contracts are entered into by anticipation by the persons who sell tea at the ports with the growers, that is, whether the resident Chinese merchant at the port anticipates the deliveries of tea by the growers?—He anticipates the tea man who goes up the country to buy tea, by making him advances upon the tea that is to come down the following season.

519. *Chairman.*] You were stating the effect of an increased demand upon the supplies of tea and upon the prices; you say that the first effect is to produce an increase of price, and that the ultimate effect is a decline of price?—Yes, in the following season.

520. Have you any further facts upon that point which you can state?—No further than that that description of tea to which I referred, the Pekoe-flavoured

*T. A. Gibb*, Esq.

22 April 1847.

voured Congou, has so considerably increased that parties in this country are afraid of giving orders for it, but at a very low price. The same tea that we used to get 3 *s.* a pound for, we cannot now get more than 1 *s.* 6 *d.* for, or 2 *s.* for something very superior.

521. There is a very greatly increased supply of tea to this country?—Very considerable.

522. Is that at a higher or a lower price?—I should say, upon the average, at a much cheaper price.

523. Does that depend in any way upon alterations in the management of the trade, or is it from the increased supply?—It is from the increased demand for this country.

524. Does the lowering of price arise from an increased facility in giving supplies, or from any alterations in the manner of carrying on the China trade?—The mode of carrying on the trade with China is widely different since the war; for instance, we pay a duty of only two taels and a half a pekul, where we used to pay, during the Hong merchants' time, nine to ten taels.

525. Does that charge enter into the price?—I have no doubt it does.

526. Taking those duties into consideration, and making allowance for them, is there still a decline in the price?—I am inclined to say that there is considerable.

527. To what circumstance do you attribute that?—I consider that it is through the great competition in the tea trade. A greater number of Chinese are allowed to deal in it, a number of smaller men.

528. Have you any reason to believe that there is great facility of supplying tea, according to any demand that may arise?—I have not the slightest doubt of it; I never knew the China market cleared of tea. However large the export has been, we have always had plenty remaining.

529. Have you had occasion to inquire locally into the facilities of producing an increased supply?—Yes, and the reply is, that they can give us any reasonable quantity, if they have a demand for it.

530. You have no statistical figures upon that point?—No, it is only from personal experience.

531. Do you believe that the increased supply is produced by converting what is consumed by the people of the country into qualities fit for the English market, or by an extended cultivation of other crops?—I believe that by preparation they can convert their own teas into teas for the English market.

532. So that with a few months' notice, they can turn into the channels of an increased supply what is usually consumed by the natives of China?—I have not the slightest doubt of it.

533. Without the necessity of waiting for fresh plantation?—I have not the slightest doubt of it.

534. Mr. *Ewart.*] The raw material already existing would be converted by manufacturing process into an article fit for our market?—Yes.

535. Dr. *Bowring.*] Have you ever witnessed the manipulation of the tea for the English market?—Only the Canton kinds.

536. Mr. *Beckett.*] Is the preparation a long process?—I have seen them preparing the Canton tea only for a few minutes.

537. *Chairman.*] Have you seen the description of the mode of preparing tea in Mr. Fortune's book?—No.

538. Dr. *Bowring.*] Will you describe the process which you have yourself seen?—Merely of colouring the leaf for green teas, for export to America.

539. So that what would otherwise be sold as black is sold as green?—Yes.

540. Does such a process affect the flavour as well as the colour of the tea?—Yes; it is only the lower kinds of tea.

541. Mr. *Ewart.*] What is the process?—It is merely drying it over the fire, and plaster of paris or gypsum and prussian blue are used.

542. And that makes the tea which would otherwise be black tea, green tea?—The tea is partly black and partly green.

543. Dr. *Bowring.*] Is superior green tea converted by the same process?—I do not think it is.

544. *Chairman.*]

544. *Chairman.*] Are you able to speak to the identity or otherwise of the two plants, the black and the green?—No, I am not.

545. Sir *G. Staunton.*] When you say that you have no doubt that the teas intended for home consumption in China might be easily converted for the purposes of the British market, do you allude to any particular kinds of tea?—No, I do not.

546. Do you think that the produce of the immediate neighbourhood of Canton could be converted to that purpose?—It would be of a very inferior kind.

547. The quality is such, that the process of manufacture would not render it suitable for the British market?—I should think not. The teas about Shang-hai would make very excellent tea for this country, when properly prepared.

548. You did not allude to the produce of any particular part of the country?—No.

549. *Chairman.*] Have you heard any calculations as to the amount of tea which is available in China?—Men, women, and children drink tea the whole day in every part of China that I have visited. I can only form an estimate of so much per head.

550. Have you ever heard any estimate per head?—No, I have not.

551. Dr. *Bowring.*] What is the mode of selling tea among the Chinese themselves?—They sell it by their own weights, by decimals; it is so much per hundred catties, or so much per cattie.

552. Are there a great number of tea shops?—Yes, almost every other shop has tea in it.

553. Mr. *Ewart.*] They have always had the decimal system in China?—Always.

554. Mr. *Moffatt.*] You said that there was a rise in the price of Pekoe-flavoured Congous from 29 taels in the Company's time to 45 taels in 1843 and 1844; is it in your experience that the present consumption is very superior to that which the Company used to bring in as Pekoe Congous?—Not from my own experience only, but from the experience of tea inspectors, upon whose judgment I have full reliance.

555. The quality is much superior to what the Company used to bring?—The good quality is much larger in quantity; I will not say that it is much superior in quality to the whole; perhaps there might be some half dozen chops that were as good then; but taking the bulk of the Pekoe-flavoured teas now, they are as fine as the two, three, or six chops that the Company used to import.

556. Mr. *Baring.*] What is the last price of Pekoe Congou in China?—They were sold last year at 32 up to 34 taels per pekul.

557. They do not seem to have fallen exactly to the same price as in the East India Company's time?—No; but you must look at our exchange in the Company's time. I take the average of Congous; we buy Congous now at 16 to 18 taels.

558. Mr. *Moffatt.*] Used not the practice of the Company to be this, that they made a contract for one-half their adventure all at one price, the qualities of course varying, and therefore the price of 29 taels was paid for about 50 chops of tea?—No, I should say that the Company never exceeded 20 chops of the fine Congous to which I allude.

559. Had they more than two prices generally at any one time?—Very seldom; sometimes they had 26, 28, and 30. I am speaking of this from recollection.

560. *Chairman.*] What length of time do you suppose is required to produce any considerable increase in the supply of tea; does it require the interval of a season?—The interval of a season, no doubt; but there is so much tea kept back waiting for a demand, that I have no doubt a considerable increase might be obtained in a few months.

561. Dr. *Bowring.*] How remote is the tea-producing district from the port of Shang-hai?—We are in the green tea district. Captain Balfour will be able to state that.

562. *Chairman.*] What is the mode of conducting the trade in China; is it by barter or by money?—There are few cash transactions; it is generally a barter trade. You cannot sell British goods for cash.

*T. A. Gibb*, Esq.

22 April 1847.

563. Will you explain distinctly the process in carrying out the barter trade?—Supposing I have 1,000 pieces of shirtings, of Manchester cottons; I exhibit my musters to various parties; none of them will make me a cash offer for them, or a credit of so much. They say, "I will pay you for these goods in Congou teas, at the market price of tea," if they have no teas on the spot to show me. But credit is so shaken in Canton since the dissolution of the Co-Hong, that there are but few men that we can trust, and therefore we seldom deliver our goods till we get our teas. In barter transactions the great difficulty is to know who is to pay the duty, because that involves a positive cash payment.

564. That is to say, the import duty upon the shirtings, and the export duty upon the tea?—Yes; in many instances we are compelled to pay both. The Chinaman will not produce the money to pay the duties.

565. Mr. *Ewart.*] What are the import duties?—I think it is one mace on grey shirtings, and one mace and a half on white shirtings. The export duty on tea is two taels five mace per pekul. That is a fixed duty, no matter what the tea costs.

566. Is not it five per cent. under the treaty?—The unenumerated articles pay five per cent., but tea is a fixed article.

567. Mr. *Beckett.*] Is not the general rule for the duties five per cent.?—No, it is only the "unenumerated" articles that pay five per cent.

568. *Chairman.*] Is the general rate of duty above or below five per cent.?—In some instances above. We buy tea from 15 taels up to 50; the duty is two taels five mace.

569. The question refers to the import duty?—A piece of cloth is worth two and a half taels, and it has to pay one mace, which is about the tenth of 6*s.*, about 6*d.* Assuming the dollar at 5*s.*, the tael is 6*s.* 8*d.*

570. Is the import duty in China generally more or less than five per cent. upon the main articles?—I should say that the import duties would average 7½ per cent.

571. Upon the principal articles?—Yes, taking cottons and woollens; but the woollens vary so much in price that it is very difficult to arrive at an average. We have cloths selling at a dollar a yard, and we have cloths selling at three dollars a yard, both paying the same duty.

572. How do you make an estimate as to what you sell your shirtings at, if you merely are to have so much tea, according to the prices in the market, that market being very doubtful?—We settle the price of the shirtings, but not of the tea.

573. Do you mention a money price for the shirtings?—It is a barter price. I should sell the shirtings for three dollars, and it is understood to be paid for in tea, at the market price, within two months.

574. And you take the chance of what the tea will be?—It is to be approved of. They generally mention the description of tea.

575. But you take your chance of the price tea will be selling at?—At the time that the tea is delivered to me. It must be paid for within two months.

576. Mr. *Brown.*] You fix a price upon your cloths, for which you consent to take tea in barter, and you also fix a price upon the teas when you receive them?—Yes.

577. *Chairman.*] You are not certain of the value that you shall receive?—I am certain that I shall get the value in tea at the current value within two months.

578. Dr. *Bowring.*] Are those contracts generally entered into by a broker?—Yes.

579. Is he the referee between the two parties in case of dispute?—The fact is, that we do not know the tea man. The broker is the man we deal with.

579*. Is the broker the party to whom you look?—Yes, he is the party with whom we deal.

580. Mr. *Baring.*] Do you find much difficulty in fixing the value of the tea?—I never did.

581. Mr. *Beckett.*] Is the Chinese broker an authorized person?—No; since the dissolution of the Co-Kong any Chinaman can act as a dealer.

582. *Chairman.*] You select your own broker?—Yes; we term them brokers; they do not call themselves brokers; they call themselves merchants, but we know

know that he is not the holder of the tea, nor the purchaser of the goods. He purchases for other parties.

583. Dr. *Bowring.*] The purchaser of the tea seldom comes in contact with the Chinese producer?—Seldom, or never.

584. Mr. *Ewart.*] Can you give the Committee any information about the transit duties in China?—Not the slightest; there was a great deal of inquiry going on about it by Captain Balfour when I was in China.

585. Are they heavy?—They are very heavy; they are a very great impediment to the extension of our trade.

586. *Chairman.*] Have you ever ascertained what the price paid by the grower of tea is?—Not the slightest; it varies from time to time; we hear of very heavy losses by the tea men coming down in consequence of having paid a high price to the grower and then being obliged to sell at a low price.

587. Dr. *Bowring.*] Can you form any notion of the proportion which the transit duties bear to the cost at the place of production?—They must be very heavy.

588. Mr. *Brown.*] Do you speak of the transit duties on goods going into the interior as well as teas coming down?—I am alluding to the transit duties on goods going into the interior.

589. *Chairman.*] Would it not be possible by the establishment of heavy transit duties in the country to defeat the whole object of the treaty with reference to the duties fixed upon the first entry of the goods?—No doubt it is a very material consideration.

590. Dr. *Bowring.*] Is the cost of carriage very heavy?—No; the goods go chiefly by canal.

591. Mr. *Beckett.*] In disposing of your importations in China do you find great competition from other countries?—We find a little by the American domestics.

592. Are there not also the Russian woollens?—I am inclined to think that they are over-estimated. At Shang-hai we had musters of Russian woollens sent down to us, which were quoted at prices certainly 30 per cent. cheaper than we could sell our woollens at, but my experience leads me to think that that was a mis-statement, because the woollens we have sold there, although limited, have generally given us prime cost.

593. Dr. *Bowring.*] You speak of the Russian woollens entering by caravan?—Yes.

594. Mr. *Beckett.*] In selling either Yorkshire woollens or Manchester goods, what is the competition you experience? you say it is chiefly from American domestics?—Yes, in cottons.

595. Then as to woollens?—I do not think the Russians interfere much with us as to woollens; we have some woollens from the Continent that compete with us.

596. In hardware?—We do not meet with any competition in hardware.

597. Does your experience go to the northern parts of China?—Yes; the northern part of China, at Shang-hai.

598. Does it go further north?—I have never been further north; that is the extreme of our opening.

599. Mr. *Ewart.*] You know nothing of the consumption in the northern part of China?—No.

600. *Chairman.*] Do you find that the Americans have any advantage over the British merchants in dealing with China?—I should say not, further than that as they have a larger proportion of cash they get their teas on better terms. The greater part of the American trade is carried on by bills drawn upon this country, the bills being principally the proceeds of opium; and therefore the Americans have hard cash in many instances to go into the market.

601. The Americans have a greater command of hard cash in going into the market?—Yes.

602. How is it that they have a greater command of hard cash than the British merchants?—They have less import of goods; and our surplus funds, including opium, we hand over to the Americans for their bills on Barings and others in this country; they nearly are all English.

603. Mr. *Ewart.*] Then the Americans get their supply of cash from the opium trade?—Except for the opium trade, we could not get the bills.

*T. A. Gibb*, Esq.

22 April 1847.

604. Dr. *Bowring.*] Are the bills negotiated in the United States?—I never heard of any being sent to the United States.

605. Or any other place but London?—I should say none, except London and Liverpool.

606. *Chairman.*] It is the little export of manufactures which the Americans make which enables them to deal in cash?—Yes, and they take any surplus funds we may have.

607. Have you lately found greater difficulty in dealing with China than before?—We have had large importations of British goods, which we cannot sell. When I was at Shang-hai, we must have had 700,000 or 800,000 pieces of shirting lying in store; and our exports of tea have been excessive for the consumption of the country.

608. You believe that that quantity of goods would have been taken up in China if there had been the power of taking a larger quantity of tea in exchange?—Yes, or if we could have found any other returns.

609. You have nothing material except tea and silk?—Not at present.

610. Mr. *Ewart.*] Is there no other article?—We have a few drugs and dyes, and lately there has been an export of flax and Chinese grass; but I do not know what the result has been.

611. Mr. *Brown.*] Is not silk an article of very great consumption among the rich in China?—High and low, they all have a silk dress.

612. That being the case, they could supply us with a large quantity of silk, in case we could consume it in this country, without materially interfering with the price?—Yes; the strongest proof of that is, that we had 20,000 bales last year, and there is very little doubt that we shall have 20,000 next year.

613. You spoke of the Chinese carrying on their transactions in decimals?—The whole of their weights and coins are decimals.

614. Dr. *Bowring.*] Measures as well as weights?—I believe so; in fact, it is all weight, except measures of land; if you buy poultry or pigs, or anything else, it is all by weight.

615. Mr. *Beckett.*] You spoke of great stocks of "shirtings" lying in store at Shang-hai; do you believe that those stocks could be disposed of, if we could take tea in return?—Most undoubtedly.

616. Mr. *Ewart.*] In speaking of silk, you alluded to raw silk?—Yes.

617. Dr. *Bowring.*] Has any thrown silk been imported from China?—Yes.

618. What is the state of the throwing mills in China?—I cannot say.

619. Have any dyed silks come?—I have never seen any.

620. *Chairman.*] The main obstacle you find to the prosperity of the trade is the difficulty of obtaining a return?—Yes.

621. And that you find increasing?—Yes. Had it not been for the heavy export of raw silk last year paid for in opium, I do not know what would have been the state of the opium trade. I should say that of 15,000 bales of silk sent home last year, 12,000 were paid for in opium.

622. Mr. *Ewart.*] What is the state of export of sycee silver now?—I have not seen the returns of it. There is no statement of it in China; we can only get it from India.

623. Dr. *Bowring.*] Had the market of Shang-hai been relieved from the pressure of goods according to the late advices?—Yes.

624. Mr. *Brown.*] You stated that there is great difficulty in getting information of what is going on in the interior of China. Has it ever occurred to you whether from the great influence which medical men have in that country, medical merchants going there could not find out resources of trade?—We have several medical missionaries out there now, but I am not aware that we have derived any mercantile information from their inquiries.

625. That probably arises from their want of acquaintance with mercantile subjects, and having their minds directed to missionary pursuits only; but assuming that merchants were also medical men, do not you think that great advantage might be derived from that?—We have had medical men in China who were traders, but I am not aware that we have had any advantages in consequence in a mercantile point of view. There is no doubt that the medical missionaries in China have been of vast service to the Chinese themselves, and I think that to the northward they will soon bring us into more intimate connexion with the people.

626. They

626. They are a means of conciliating the feelings of the Chinese?—Yes, but we do not require it in the north. We never meet the slightest opposition or offence from them as we do to the southward.

627. Dr. *Bowring.*] Have the ecclesiastical missionaries from the Propaganda given you much information as to the interior?—There is no doubt that they are getting great information as to the interior, but we have never been able to derive anything from them.

628. Mr. *Ewart.*] The bad conduct of the Chinese towards foreigners is principally in the neighbourhood of Canton?—Yes.

629. But near Shang-hai the people are perfectly well disposed?—They are.

630. Dr. *Bowring.*] Is there much wealth amongst the native merchants in the north?—Not at all equal to what there is among the Canton people; you would put down a man with 100,000 dollars as a man of large property in Shang-hai.

631. Has the opening of the trade brought down many mercantile settlers?—Yes; but they have been fearful sufferers in the first 18 months of the trade.

632. Sir *G. Staunton.*] You alluded to the conduct of the missionaries in China; you think upon the whole that their conduct has been rather favourable to our commercial speculations?—The medical missionaries, certainly.

633. The conduct of the missionaries has not at all impeded our commerce?—Certainly not.

634. Mr. *Ewart.*] The silk district is not far to the westward of Shang-hai?—No, three days' journey.

635. There is water communication throughout that district?—Yes.

636. That is the reason that the exportation of silk has increased so rapidly?—Yes.

637. Mr. *Moffatt.*] How far is it from Shang-hai?—We calculate a Chinaman's journey at 25 miles a day; he can go in three days.

638. Mr. *Ewart.*] Is not the Nankin cotton field at no great distance from Shang-hai?—Yes.

639. Is there much trade in consequence of that circumstance?—Yes, we have exported yellow nankeens; but there is very little demand for them in this country.

640. Are those manufactured in the town of Nankin?—Yes.

641. And the fields of cotton are between Shang-hai and Nankin?—Yes.

642. Dr. *Bowring.*] Have any steam looms been introduced into China?—I have never heard of such a thing.

643. Mr. *Moffatt.*] Are there any large stocks of China produce held at Shang-hai?—There is a quantity of tea, as in Canton.

644. Dr. *Bowring.*] What is the brokerage paid to the natives?—That is between themselves; we pay nothing. Of course we have our own tea inspectors, who examine the quality of the tea.

645–6. Mr. *Moffatt.*] Is much sycee silver obtained from Shang-hai?—When we first sent our goods up there, we obtained sycee silver readily; the merchants used to bring their sycee silver and leave it on the deck and take away our British goods.

647. *Chairman.*] Have you found any diminution in the sale of English goods from disappointment as to the quality?—No.

648. Or as to their dyes?—No; we have been disappointed as to the quantity of dyed cloths that the Chinese have taken off; but the quantity of plain goods that the people at Shang-hai have taken off is beyond anything we ever anticipated.

649. Have you reason to believe that they would take any quantity if there were not a difficulty of finding returns?—I have not the slightest doubt that we could double our deliveries there if we could take Chinese produce in payment for them.

650. Have you any reason to think that the effect of the low prices at which the articles have been sold has been to push English articles into new districts, which ultimately, perhaps, though at a first sacrifice, will extend the markets?—That has generally been the effect; it was so in India, and I have no doubt it will be the same in China. The Chinese have manufactured white stout cloths; they are much more expensive than our goods. I found at

*T. A. Gibb*, Esq.

22 April 1847.

Shang-hai that the manufacture of their cloths was falling off rapidly, in consequence of our cloths superseding them.

651. Can you form any estimate of the population of Shang-hai?—Shang-hai is a small place; it is merely the seaport of Soochoow; and although it is densely populated, I could not venture to state the number.

652. Are there many junks trading there?—Thousands; the river is full of junks for miles.

653. Is there any trade between China and Japan?—I should say that there is.

654. Mr. *Ewart.*] You have spoken of the increase in the cotton trade; has there been the same in the woollens?—Woollens have not increased in proportion to the cotton trade; but within the last six or eight months the demand for woollens has been increased.

655. From what part does that demand come?—From Nankin and from Soochoow.

656. Does it come from the north?—I have no doubt it does, because the junks that bring down grain go back with British goods and opium.

657. Is not it probable that the great development of our trada with China will be with the north?—In all probability; I think the gradual increase in our woollen trade will bear out that supposition.

658. *Chairman.*] Have you any export of quicksilver from China?—We had, in a trifling degree, about a year and a half to two years ago. In consequence of the high price of quicksilver in this country, we fancied we could export it from China; we did for a year or 18 months; we exported quicksilver, and the result was a favourable exchange; but the price got up so rapidly in China, that the trade is at an end.

659. Dr. *Bowring.*] Is it exported from China in the same state as from Spain?—No, it is exported in bamboos.

660. Mr. *Moffatt.*] Is it your opinion that the export of sycee has been productive of any inconvenience to the Chinese government?—Very serious, on account of the large sum they had to pay for their ransom, which was paid entirely in sycee.

661. Dr. *Bowring.*] Are the taxes paid to the government in coin?—In silver; that is the reason of the distress about Shang-hai; the government will have silver.

662. *Chairman.*] Is silk sometimes used as an article of exchange as a currency?—I do not know.

663. Dr. *Bowring.*] Are not the contributions to the government sometimes paid in rice or other produce?—The contributions to the Imperial government are paid in grain.

664. Mr. *Moffatt.*] Do the Chinese produce enough salt for their own consumption, or do they import salt?—We have imported a few cargoes from Liverpool, upon which there has been a very heavy loss, but whether that is the result of the Chinese government taking measures to prevent its succeeding, I do not know. It is an Imperial monopoly.

665. Mr. *Ewart.*] Has not the export of hardware from this country to China fallen very much below the expectations of the exporters?—Very much indeed. The Chinese have a rough sort of hardware of their own, which they can manufacture exceedingly cheap; labour is so very cheap.

666. Dr. *Bowring.*] Have any new articles of export or import, to your knowledge, been introduced under the changed state of affairs since the opening of the trade?—We have lately exported several cargoes of sugar from China; and we anticipate that we shall be able to send a great quantity of sugar home; and we hope that flax will be a large article of export.

667. Are there any new articles of export from England?—Nothing of any importance.

668. Mr. *Ewart.*] Are any articles of pottery exported to China?—The Chinese have all those manufactures themselves.

669. *Chairman.*] Have you made use of Hong Kong as a place of commercial transactions?—We did at one time; we used to sell pretty largely at Hong Kong; but I do not know that of late years we can sell goods of any kind.

670. What are the obstacles that have arisen?—The fact is that the causes we attribute it to are so various that it is almost difficult to give an opinion. They attempted first to raise a revenue from a rock.

671. Do the obstacles arise from the position of Hong Kong, or are they the result of any regulations?—We attribute the falling off of the trade to the result of the government regulations.

672. You consider that we have not derived the advantages from Hong Kong that we had expected from it as a place of trade?—No, we have been fearfully disappointed.

673. You did make use of Hong Kong in the first instance as a place of trade?—Yes.

674. Did you find it successful in the first instance?—Yes.

675. What were the circumstances that produced the change?—It resulted in a great measure from Sir Henry Pottinger's supplementary treaty. The success of the trade was before the supplementary treaty. By Sir Henry Pottinger's supplementary treaty, all junks coming into Hong Kong must bring a pass from one of the five ports. Any junk not bringing a pass from one of the five ports is not allowed to trade at Hong Kong. The consequence was, that the Chinese being exceedingly jealous of Hong Kong, they would never grant a pass to a Chinese junk, and there were reports that the officers deputed at Hong Kong to go on board were oppressive in their demands of presents from the captains of Chinese junks. The circumstances to which I attribute the loss of the junk trade at Hong Kong are in the first instance to their being compelled to bring a pass from one of the five ports open to us; and in the next place to the oppressions which they suffered at Hong Kong in the examinations of those papers, which very few of them had.

676. Then Hong Kong only answered as a place of trade while it was open to junks coming without passes from any part of the coast?—Yes. In the first place, when Captain Elliott promulgated his edicts about Hong Kong it was stated that it was a free port, open to the world, and Chinese junks took advantage of it, but they afterwards found that it was not so, and then they would never pass through Hong Kong, if they could avoid it.

677. Then no remedy can be found for that but by an alteration of the supplementary treaty?—No; you must allow junks to come in and out without any restraint, further than seeing that they are mercantile junks, not pirates.

678. Are we not under an obligation by the treaty to receive no junks at Hong Kong without a pass?—We are; but it has latterly been quietly notified to them that such papers will not be required. That has been notified to the Chinese upon the island and to the merchants.

679. Have you had any remonstrances upon that head from the Chinese government?—I have heard of none.

680. Mr. *Harcourt.*] Was that treaty pressed upon us by the Chinese government?—I have no doubt it was; we were perfectly aware of the injury which we should sustain when we heard the terms.

681. Were those who made the treaty equally aware of it?—No; I do not think Sir Henry Pottinger was aware that it would inflict an injury upon Hong Kong.

682. Sir *G. Staunton.*] The trade has fallen off at Hong Kong in consequence of that supplementary treaty?—I believe that is the original cause.

683. *Chairman.*] Are there any other obstacles to the trade of Hong Kong?—I think the farming the opium is one principal obstacle.

684. That is to say, the farming the opium to be consumed in the island?—Yes; a person pays so much to the government to be allowed to sell opium, under a chest; it is put up for sale every year.

685. That affects the amount of opium consumed in the island?—Not only consumed in the island, but even the export.

686. How does it affect the export?—The present farmer has his emissaries about watching any Chinaman who goes into a European house for the purpose of buying opium.

687. Without that, you consider that there would be an export trade?—Without that, my opinion is, that the opium trade which is now over on the Macao side of the entrance of the Bocca Tigris would settle in Hong Kong. Formerly junks that used to come for two or three chests of opium would buy 20 or 30 bales of piece goods.

688. That would make Hong Kong a depôt for the opium trade?—Yes; that

*T. A. Gibb*, Esq.

22 April 1847.

that is what we anticipated it would have been at the first settlement of Hong Kong.

689. Would the Chinese government consider that a fair carrying out of the treaty?—We have made it a legal trade at Hong Kong. The British Government has never opposed the opium trade. We buy the opium in India from the British Government, and they know that it is for export to China. It has been notified in Hong Kong that each opium shop shall pay so much for a licence to sell opium.

690. That is, upon British territory?—Yes.

691. Mr. *Moffatt.*] Is there anything in the Chinese treaty to prevent the importation of opium?—No; we cannot import it into China; that we should not attempt to do; we sell it to Chinese bottoms.

692. Mr. *Ewart.*] The government farm the right of selling opium under a chest?—Yes; it is put up for sale for one year.

693. Mr. *Moffatt.*] How much is derived from that source?—I believe it is 4,200 *l.*

694. Dr. *Bowring.*] Is the opium monopoly put up to public auction?—Yes, but no one can get it but certain individuals; no one can get himself protected in the monopoly but certain individuals, who have power over certain Chinese runners; a kind of Chinese police; a private police which the man keeps.

695. Has the monopoly always been in the same hands?—No; it was in the hands of European shopkeepers for a few months, who were obliged to abandon it. I believe that the present holder of it is sustaining loss by it.

696. *Chairman.*] You say that indirectly it acts upon the export trade?—Yes, very much. A large quantity of opium used to be boiled down for consumption on the Chinese shore, all of which process used to be done in Hong Kong. It went into a smaller compass after being boiled up. A China boat would come in to buy two or three balls; some would buy 10 balls.

697. Have you any reason to know whether the object of levying a revenue upon opium in the island was for the purpose of revenue, or for the purpose of obstructing the opium trade?—Solely for revenue.

698. The effect therefore upon the opium trade is an incidental one, and not the purpose?—It does not decrease the consumption of opium one catty in China; it merely throws it out of our hands into the hands of other parties.

699. Do you conceive that the object was the obtaining a revenue in the island, or preventing the island from becoming the seat of the opium trade?—I have not the shadow of a doubt that it was for revenue solely.

700. Mr. *Ewart.*] Then it is a source of revenue which is injurious to commerce?—It is felt to be injurious to our commerce generally.

701. Dr. *Bowring.*] Is the monopoly a gross sum paid upon the consumption of the island?—I believe it is a gross sum.

702. Mr. *Ewart.*] What proportion does it bear of the whole revenue of the island?—From the whole of those farms, the opium, the snuff, and the tobacco, I doubt very much whether the revenue is altogether more than 6,000 *l.* a year. I am not talking of the local taxation for keeping the roads in order, or the police rate.

703. *Chairman.*] Is not the system of paying a gross sum for the licence to sell opium one that would lead to stimulating the consumption of opium as far as possible, inasmuch as it is the interest of a man paying a gross sum for a right to trade, to sell the greatest possible quantity?—No doubt of it; but the sale being in the hands of one man, he demands what he thinks proper.

704. Therefore he looks to making his profit rather by high prices than by extensive consumption?—Yes.

705. Mr. *Ewart.*] Are there any duties affecting commerce at Hong Kong which are injurious?—We have no duties; every article is farmed; the whole system of revenue, by which they get 6,000 *l.* a year, is cruelly injurious to Hong Kong.

706. Is there not a duty on auctions?—Yes; that is an unfortunate thing, because all the goods that are damaged are now sent up to Canton for sale, where there is no auction duty.

707. Sir *G. Staunton.*] If the opium trade had been free at Hong Kong how would it have been introduced into China?—By junks.

708. If Hong Kong had been a depôt for opium, it would have been smuggled across from Hong Kong to the main land?—The junks, instead of going to Comp-sing-moon, would have to come to Hong Kong for their supplies.

709. But no junks would be necessary from Hong Kong to the main land?—No, it would have gone over in boats; they would smuggle it over in its refined state, which makes it less in quantity or bulk.

710. Mr. *Ewart.*] Have not the Chinese government entertained the idea of admitting opium at a low duty?—That has been entertained many years, and the expectation was so strong at one time, that the large Hong merchants made very large purchases under that expectation.

711. Do you think there is any prospect of it?—I think eventually we shall have it; it is a legal trade at Shang-hai, in every sense. It is carried about the streets with a knowledge of the local authorities, the same as a bale of cotton. You meet chests of opium carried on men's shoulders, and you see 50 or 60 chests of opium at a time in a dealer's shop. Now, if the authorities were inclined to seize the opium, and to make it positively illegal, they could do it without any trouble.

712. There are no seizures?—None, as long you pay the regular fee to the local authorities.

713. Mr. *Baring.*] If you do not pay the fee it is seized?—Immediately.

714. Mr. *Ewart.*] Is not piracy carried on to an enormous extent on the coast of China?—Very fearfully.

715. Whole fleets of pirates?—Yes.

716. Is there much obstruction to the British trade from them?—Very much between Hong Kong and Canton.

717. Mr. *J. A. Smith.*] Close to Hong Kong there are a great number of robberies committed?—Yes.

718. Do you conceive that it is at all increased by boats of persons who hold particular monopolies, who put particular boats to protect their rights?—I consider that Acqui, who farms the opium, has boats either for piratical purposes or for the purpose of protecting his monopoly.

719. Mr. *Ewart.*] Are there not instances of pirates taking as many as 70 junks at once in China?—Not in my time.

720. Dr. *Bowring.*] Have you any knowledge of the discovery of a great horde of pirates in a cave in Hong Kong?—Yes; they discovered some that had belonged to the Triad Society.

721. Was not the island at one time made an asylum for pirates?—With the exception of one or two wretched villages; there were but few inhabitants upon it.

722. Mr. *Ewart.*] Have not robberies taken place to a great extent upon the land as well as the sea?—Not many in Hong Kong itself.

723. Considering the fact that the people of Canton are not to be controlled in their excesses towards foreigners, does not it show a very weak government?—We have destroyed the power of the local governors since the war; formerly the moment a mandarin appeared in sight, the people would rush from one side of the road to the other to get out of his way, but now there is nothing of the sort.

724. *Chairman.*] The authority of the government is exceedingly weakened by the result of their engagements with England?—No doubt.

725. Dr. *Bowring.*] Do you know any cases in which the persons and property of British merchants at Chinese ports have not been adequately protected?—I have been from Canton 18 months; at Shang-hai we had reason to be perfectly satisfied with the protection we enjoyed; we always had full protection from Captain Balfour. Of course, as merchants, we had some little complaints against him; but as to the matter of general protection we had no complaint.

726. Mr. *J. A. Smith.*] How long did you reside at Hong Kong?—About two years.

727. *Chairman.*] Does this system of robbery by land and by sea interfere materially with our commerce?—It does interfere very much with the communication between Hong Kong and Canton.

728. Mr. *Brown.*] If the British Government deemed it proper to place an

*T. A. Gibb*, Esq.

22 April 1847.

armed steamer there, would that sufficiently protect the trade; would vessels be enabled to go between Hong Kong and Canton under the protection of a steamer?—A well-armed boat now will go; it is only the small vessels that get attacked by the pirates.

729. Dr. *Bowring.*] Can you point out any ordinances emanating from the Governor of Hong Kong, which have been injurious to British commerce?—It is so long since I was in Hong Kong that I am scarcely able to point out the particular ordinances. The first thing which was exceedingly detrimental was the Registration Act, by which it was endeavoured to collect a dollar a year from every labourer upon the island; that was withdrawn, but the Registration Act still continues upon another footing.

730. Is it a grievance as it now exists?—Most decidedly.

731. Will you explain the operation of it as it affects British residents?—I was attending to it as it affects the respectable Chinamen who are not residents. A Chinaman must have a registration ticket after he has been 24 hours in the island; if not, he is subjected to the police regulations.

732. Mr. *Ewart.*] Why should a respectable Chinaman object to registration?—They have not the slightest objection to that, but they are such a migratory set of beings that they find it a serious inconvenience, having to wait for hours at the register office. A man comes to transact business which will occupy him 10 or 12 hours, and if he has to be registered he may have to wait at the office for hours.

733. *Chairman.*] It interferes with the convenience of the fluctuating population that make use of Hong Kong for commercial purposes?—Yes; we average 12 or 14 large fast boats, containing 50 to 60 people, every other day, each, and registration is required of those men if they stop 24 hours.

734. Dr. *Bowring.*] What is the object of it?—The object originally was a good one, to prevent improper characters; but it has failed, because improper characters go and get a registration ticket, and many respectable men are not aware that such an Act is in existence.

735. *Chairman.*] Had any alleged inconvenience arisen from want of registration?—We fancied that a great many disreputable characters were coming to the island, and we thought it would keep those bad characters away.

736. Mr. *Baring.*] When you say "we," you mean that that was the general impression at the time?—That was the general impression at the time; but it has failed.

737. Dr. *Bowring.*] Has the manner in which building land has been sold in Hong Kong affected British interests injuriously?—It has affected British merchants very injuriously.

738. Will you state how?—A representation upon that subject from the British merchants has been sent home, which has been before Government for months past.

739. Will you state the general nature of that complaint?—The first land sale was during the administration of Sir Henry Pottinger.

740. Mr. *Matheson.*] Was not the first land sale during the administration of Captain Elliott?—Yes; but they did not recognise those sales under Captain Elliott. In the first land sale of Sir Henry Pottinger, he notified that the terms were such and such conditions; for instance, the lease was to be 75 years, and I believe that was almost the only condition named at the time of the sale.

741. Mr. *Hawes.*] Were there no conditions relating to buildings to be erected?—Not at the first land sale. I attended the land sale; I forget how many lots there were; about 30 lots. I went into the land sale, and attended to see if there were any lots I should like to buy; but I saw one gentleman, a clerk in a mercantile house there, bidding for lot after lot, and they were knocked down to him. Of course I left the sale. This gentleman, I think, bought 17 lots out of the 30, or whatever number there was. We ascertained afterwards from this gentleman, that he had entered into a private understanding with the land-surveyor, Mr. Gordon, that he was to buy as many lots as he thought proper, and was to be allowed to adopt as many lots afterwards as might suit his purpose, throwing the rest upon the hands of the Government.

742. *Chairman.*] In fact, making fictitious purchases?—It was a fictitious purchase; for he was allowed to repudiate afterwards any lots that he might think fit. That is a fact which I am prepared to prove by evidence.

743. Was

743. Was that as a means of raising an artificial value to the land?—No; the Government had nothing to do with it, but the land officer had. The land was consequently run up to a ridiculous price.

744. Had the land officer any interest in the price?—He was to have had a share in any eligible lots that this young man got.

745. Mr. *Brown.*] For resale?—Or for building purposes; that is in evidence in Hong Kong. I will state how we, the original settlers at Hong Kong, felt ourselves aggrieved. I was an original holder of land under Captain Elliott, without any fixed price to it; I had a town lot, not a sea frontage; I took the lot from Captain Elliott, or rather from Mr. Johnston, who was Acting Deputy Governor then, under the understanding that no rent could be fixed then, but that I was to have it on the most favourable terms, and that my land would be held in perpetuity at a certain rent. When I applied for a lease, after this sale of land which I have mentioned, the price of my land was fixed upon the average of this sale, which was a fictitious one, for out of 17 lots bought by this man, he was allowed to throw 10 to 12 of them upon the hands of the Government; and yet upon the average of that sale, the price of my land was determined, and it was also put up on the terms of that sale, which was a lease of 75 years. At this time I could not abandon my land, because I had spent about 40,000 dollars upon it, so that I was obliged to comply with those conditions or to forfeit the land with the buildings upon it.

746. *Chairman.*] Did you remonstrate upon this?—We all remonstrated over and over again.

747. Mr. *Harcourt.*] What became of the lots that were thrown back into the hands of the Government?—They are in the hands of the Government now.

748. *Chairman.*] What reply have you received to your remonstrance?—None.

749. Has your remonstrance come home to the Government here?—Yes. There are lots bought at those sales amounting to about 6,000 *l.* in the hands of Government.

750. Mr. *Hawes.*] Did you make yourself a remonstrance relative to the price?—No; it was made by the general body, and I signed it.

751. *Chairman.*] Were they under the same circumstances as yourself?—Most of them were.

752. Mr. *Hawes.*] You were a party to the remonstrance?—I was a party to the letter addressed to Sir Henry Pottinger or to the British Government.

753. Are you quite sure that a certain document, which you signed, remonstrating against this mode of running up the price of land and making you pay higher rents than you would otherwise pay, was sent to Sir Henry Pottinger?—I do not know whether it was sent to Sir Henry Pottinger or to the British Government. That would be in the year 1842, I think.

754. And no answer or inquiry ensued?—None whatever, to the best of my knowledge. I never heard of any. I have been emigrating to and from China ever since, but I have never heard of any.

755. You still hold your land subject to those terms?—Yes.

756. Mr. Gordon was the land officer who acted in this collusive way with the young man to whom you have referred?—Yes.

757. What was the name of the young man?—Mr. Strachan.

758. Is Mr. Gordon any longer in the service of the Government at Hong Kong?—He was when I left China.

759. In the land office?—In the land office.

760. When did you leave China?—Last August.

761. Are you quite sure that Mr. Gordon was then in the land office?—I have not the slightest doubt of it.

762. Mr. *Harcourt.*] What was the date of this transaction?—About 1842 or 1843.

763. *Chairman.*] You complain that you have to pay a higher rent than you were led to expect, and that you have not the perpetuity which you originally engaged for?—No, I have 75 years only.

764. Mr. *Baring.*] You stated that you took it upon the understanding of certain terms from Captain Elliott; have you got anything down in writing showing the terms?—Not in writing, further than the documents which have been published.

*T. A. Gibb*, Esq.

22 April 1847.

765. *Chairman.*] Is there any declaration of the terms in those documents?—I am not aware of any.

766. Mr. *Hawes.*] Were there any terms or conditions published by the land office, and though not communicated to each individual, known to or within reach of the knowledge of individuals when they purchased the land?—I am not aware of any.

767. Are you aware whether any regulations have been published distinguishing the original purchases from purchases subsequently made?—Yes.

768. Your observations apply entirely to the original purchases immediately after the close of the war?—Yes.

769. *Chairman.*] You acted upon an understanding with Captain Elliott?—Yes, or Mr. Johnston.

770. Addressed to you individually?—No, not individually. I look upon mine as almost a peculiar case, because I was one of the first parties, except Jardine, Matheson, & Co., to build a house in Hong Kong. I expressed my doubt whether the Government would ever confirm Captain Elliott's adoption of the island. Mr. Johnston assured me that there could be no doubt of that circumstance, and that if I would come over I should have a piece of land, and that the terms should be settled hereafter, and that he had no doubt that the terms to me would be the most favourable terms that would be granted to any British subject; or that the terms would be a settled rent in perpetuity. And without any document I went over.

771. Mr. *Hawes.*] Have any terms been subsequently agreed upon?—We have signed our leases.

772. What are the conditions of the leases?—The principal terms are 75 years at a rental of so much per annum, and at the expiration of the 75 years I presume the land and houses lapse to the Government. There are covenants as to keeping the houses in repair.

773. None as to building?—There were none.

774. It was no part of the conditions of the lease that within a certain period you should build to a certain extent; that is to say, that you should occupy and use the land that you bought?—I cannot call to mind the terms of the lease at this moment, but those terms were in the notifications of various land sales except the first.

775. Mr. *J. A. Smith.*] How was notice given of that first land sale?—Notice in the Gazette that certain lots of land were for sale.

776. Was the Hong Kong newspaper published at the time?—Yes.

777. Were there any conditions then published as to the manner or the terms under which persons should buy?—I do not remember any beyond what I have stated. On the second land sale there was a condition that they should lay out a sum equal to ten years' rental before the end of the first year; consequently the price of land went much higher.

778. The first sale was an offer to persons to come and buy land?—To buy certain lots marked out.

779. All the subsequent advertisements invited persons to lease land?—The first sale was also to lease, but conditions were attached to the second sale.

780. Mr. *Hawes.*] Your complaint is a special one, that you were one of the original purchasers invited to purchase land, for which the rent and terms were to be subsequently agreed upon; and what you now complain of is, that the rent was fixed at a high figure, which was determined by an artificial and collusive sale?—Perfectly.

781. *Chairman.*] And also that your promised perpetuity has been converted into a lease?—Yes.

782. Mr. *Moffatt.*] Does your special case apply to numerous other parties; to all the original proprietors?—Yes.

783. Dr. *Bowring.*] Did you suppose that you were buying a freehold?—A perpetuity, on paying a fixed yearly rent.

784. Mr. *Hawes.*] You did not expect that you were buying a freehold?—No, I anticipated to pay a yearly rent; but that it was to be a perpetuity, subject to a yearly rental.

785. You being one of the original settlers, it was understood that the land was offered to you in perpetuity, subject to a rent to be fixed hereafter?—Yes.

786. Mr. *Matheson.*] Were you in China in June and July 1841?—I think I was.

787. At the time when the troops advanced on Canton, and there was a ransom of 6,000,000 *l.* of dollars paid?—I do not think I was there then; I had left Macao.

788. Captain Elliott's first sale of land took place about June or July 1841?—If Captain Elliott's first sale of land took place at that time, I was in China then, because I was in China at the time of Captain Elliott's first sale, but I was not at Hong Kong.

789. Was not there a regular auction at the time, at which various merchants bid?—So I understood; I was not at the sale.

790. Were there not some conditions published in the local English newspapers?—I believe Captain Elliott gave notice of that sale about 36 hours previously to its taking place; he notified that 100 lots would be for sale.

791. Is that the sale to which you allude?—No, I am alluding to my own particular case.

792. Did not the first sale take place in 1841?—I particularly mentioned that I alluded to the first sale under Sir Henry Pottinger.

793. Then it is not Captain Elliott's first sale that you refer to?—No; I particularly mentioned that.

794. Mr. *Ewart.*] Had some persons the fee simple of the land?—No; I believe that some few individuals, original holders, refused the lease, in consequence of its not being in perpetuity.

795. Dr. *Bowring.*] Has there been any cession of land in perpetuity?—None.

796. Mr. *Ewart.*] In fact the principal source of revenue to the Government is from the land rent?—By far the principal source.

797. Mr. *Baring.*] When did you first settle under this understanding with Captain Elliott?—I was one of the first who settled in Hong Kong. I suppose I settled there 12 months before the principal merchants moved over from Macao.

798. What year was that in?—It must have been in 1842 or 1843.

799. Then it must have been after Captain Elliott's first sale?—Yes, long after his first sale.

800. *Chairman.*] What were the terms of his first sale?—I do not recollect.

801. Were they in perpetuity, or for terms?—I do not recollect. Captain Elliott had given us notice on the Saturday, or the Monday, that there would be 100 lots of land for sale, sea-water frontage.

802. Mr. *Baring.*] Those terms were published in the local paper?—I do not think that Captain Elliott's were published in the local paper; the community was so small, that a notification sent round was sufficient. We were then all residing at Macao.

803. Was the sale carried on at Macao?—No, we had to go from Macao to Hong Kong.

804. Dr. *Bowring.*] Do you recollect the date of the publication of the first English newspaper at Hong Kong?—I cannot recollect. I think "The Friend of China" was the first we had there.

805. Mr. *Hawes.*] Have you any other complaint to make with regard to the sales of land subsequently to the time you speak of?—No.

806. Have you heard of any from others?—No.

807. Mr. *Beckett.*] Have subsequent sales taken place?—Yes.

808. Dr. *Bowring.*] Is the present system of sale generally approved of by merchants in the colony?—There have been so few lots sold of late, that I do not think that even the terms of sale have been enforced. I have known parties who bought at a land sale forfeit so much per cent. upon the purchase-money, in order to throw up their lot. That has been done over and over again.

809. Do you attribute the non-sale of lands in this colony to the conditions imposed by the Government?—No. I consider the non-sale of land now to be owing to the way in which things are retrograding. I believe it is a fact that can be established, that lands purchased of Government amounting to 6,000 *l.* have been repudiated and thrown upon the hands of Government. That will give some idea of the state of Hong Kong.

*T. A. Gibb*, Esq.

22 April 1847.

810. Mr. *Hawes.*] Do you know the circumstances under which they were thrown upon the hands of Government?—Only in a general way.

811. Do you know whether the parties in the first instance broke the condition under which they purchased?—In all probability they did. After that first sale, to which I alluded, there were conditions attached: you were to lay out ten years' rental upon the land within 12 months, or you made a forfeiture of so much per cent. The parties in many instances have not carried out the conditions, and have forfeited their deposits. A very trifling deposit was paid, and that deposit has been forfeited.

812. Mr. *Harcourt.*] You said that the regulations made at Hong Kong have thrown the trade into other hands; into what other hands have they thrown the trade?—Into the Portuguese. The English have an extensive amount of shipping that they can employ upon the coast, receiving vessels; and instead of having warehouses at Hong Kong, they have receiving vessels.

813. Then, except as it has been thrown into the hands of the Portuguese, it does not matter to the trade of this country whether it goes to Hong Kong or not?—Only that it goes to the inhabitants of other countries instead of Englishmen.

814. Viscount *Jocelyn.*] Are there any Americans at Hong Kong?—I think not at Hong Kong; they are all at Macao.

815. Dr. *Bowring.*] What advantage has the Portuguese resident, settled at Macao, over the English merchant at Hong Kong?—None; but of course he does not pay the heavy land rents that I do.

816. *Chairman.*] Is Macao more advantageously placed as a depôt than Hong Kong?—It would supply all the western coast of China more readily, but it wants harbour room; it has not the splendid harbour which we have at Hong Kong.

817. Has not the junk trade, which you say has been repelled by the system at Hong Kong, gone to Macao?—I do not know that what we have lost at Hong Kong has gone to Macao; but they have always had a large junk trade there.

818. Have they any system of passes there from the five ports?—I believe not.

819. Dr. *Bowring.*] Is there any registration system at Macao?—Certainly not.

820. *Chairman.*] Everybody goes and comes as he likes?—Yes.

821. Dr. *Bowring.*] Are passports used?—I believe not.

822. What is your experience of the climate of Hong Kong?—I have reason to speak well of the climate; I never had a day's sickness there.

823. Sir *G. Staunton.* Is not the establishment at Hong Kong in a state of extreme decay?—It must be.

824. Viscount *Jocelyn.*] You said that the advantage which the merchant at Macao would have over the merchant at Hong Kong was, that he would not pay the same amount of land rent; but would not the rent he would pay at Macao be as much as he would pay in Hong Kong?—No; since the British merchants left Macao the rents of houses have been very small there indeed; you get a very good house at Macao for 400 or 500 dollars a year; and when they were in the greatest demand, you would get the same house for 800 or 900 dollars a year.

825. How is land sold at Hong Kong?—By lots; a large piece, without any reference to measure; they tell you how many feet there are in it; they mark out the lots according to the locality.

826. A locality facing the water is the most valuable?—Yes.

827. What is the highest price you have ever known given?—£. 300 to 350 *l.* per annum.

828. For what extent of ground?—Capable of building two large houses upon it; a quarter of an acre perhaps.

829. Mr. *Hawes.*] With respect to the opium farm; supposing you wish to deal in opium in Hong Kong, what is the course you take?—I sell a chest of opium, or six chests, to anybody that applies for it.

830. There is nothing to interfere with that?—No.

831. Then how does the opium farm interfere with the trade?—Inasmuch as it prevents the people buying small quantities; half a chest, for instance; because no one but the farmer can sell under a chest. If the person wants

wants less than a chest, he must go to the farmer, and the farmer will charge him for that chest equal to 700 or 800 dollars per chest, whereas I should be glad to sell it to him at 600 dollars.

832. In order to deal in opium in Hong Kong, a man must take out a licence?—It is only one man that can deal in it.

833. But that is with reference to the internal trade alone?—Either internal or external, under a chest.

834. But the main external trade is a wholesale trade, is it not?—No; a man would buy three quarters of a chest from us, or half a chest from us, for export, and take it over to the mainland.

835. You mean that the opium farm materially interferes with the wholesale trade?—I think seriously, not only with the opium itself, but the man who formerly used to buy half a chest of opium from us, would frequently buy a bale of cloth. We hoped that by having the opium trade at Hong Kong, we should have a large trade in piece goods.

836. Mr. *Beckett.*] Have you found that the introduction of opium has led to the introduction of British exports?—Almost invariably.

837. Mr. *J. A. Smith.*] Is there any other commodity farmed out by the Government besides opium?—I believe snuff and tobacco are farmed.

838. Are not provisions farmed?—The open markets are farmed to some of the Chinamen.

839. Do you mean to say that only one person, or one set of persons, continually sell provisions in those markets?—To a great extent they do; they have the power of letting the stalls in the markets. One man rents the whole of the markets from the Government, and he re-lets the various stalls in them.

840. Can provisions be sold in no other places but those markets?—Not that I am aware of; a man is obliged to take his provisions there. But in a climate like that of Hong Kong, a man cannot expose his fish uncovered, or his meat uncovered.

841. Is it practically the case that all provisions are sold in that market?—Yes, except bread, for instance; that we buy at the bakers' shops.

842. Then the farm of the market does not affect the sale of bread?—No, I should say not; only things sold at stalls; fish, meat, and vegetables.

843. Are the quarries farmed; the right of cutting stone?—I think they are; I believe the whole revenue derived from those farms amounts to about 6,000 *l.* a year, of which 4,000 *l.* is derived from the opium farm.

844. Is there any account published in the country of the annual receipts of the colony?—I think there was not before I left.

845. The community there have no knowledge of the receipts in Hong Kong under those various heads, except through England?—I think not. There is a farm of the fishery. I think the Committee will find a return of 17 *s.* 6 *d.* during one year for the fisheries, which has caused a great deal of distress among the boatmen.

846. What is the nature of the farm of the fishery?—To allow fishing boats to come into the market to sell their fish in the market.

847. Do you mean that only one person, or one set of persons, are allowed to bring their fish to market?—I do not know to what extent the fish duties go, whether there is a duty levied upon each boat that comes in, or whether only particular parties are allowed to bring it in.

848. Dr. *Bowring.*] Are you aware of any instance in which any ordinances which have emanated from the Government at Hong Kong, have prevented the settlement of Chinese upon the island?—That is a subject of which I cannot speak. I only know it by report.

849. *Chairman.*] You have not been recently living at Hong Kong?—No; I have not been there for 18 months, only on my passage to England.

850. Have you signed that petition before the Committee?—No; I knew nothing about it further than that I have heard that there was such a petition coming home.

851. Mr. *Baring.*] At Shang-hai you found no difficulty in carrying on the trade?—Not the slightest.

852. Mr. *Ewart.*] Is not Shang-hai the most favourably situated for trade of all the ports of China?—I only judge between Canton and Shang-hai from personal observation. Shang-hai has great facilities. Our houses are situated on the banks of the river, with the ships close to them; we send the goods from

*T. A. Gibb*, Esq.

22 April 1847.

our own warehouses on board the ship within our own sight; Canton, on the contrary, is situated 12 miles from our shipping.

853. And have not you greater water communication with the interior at Shang-hai?—There is great water communication from Canton.

854. But at Shang-hai you communicate with the Grand Canal?—Yes; I consider Shang-hai a very favourable place, certainly.

855. Sir *G. Staunton.*] Are there any impediments to trade at Canton at present which you think the British Government could remove?—No; I am afraid it is in the inherent ill-feeling of the inhabitants generally to foreigners.

856. Therefore you do not concur in the complaint that the trade at Canton is labouring under serious disadvantages, arising from the regulations of the British Government?—I am not aware of any regulations that the British Government could make, further than to present a firm front to any complaints made by the Chinese, or by demanding any grievance to be remedied when it appears. For instance, by our treaty we are allowed to have intercourse in the city of Canton and all round the suburbs, but we are more confined now than ever; we have less space for recreation or for trade than ever.

857. Do you attribute that to the authorities or to the people?—To the people.

858. And to the weakness of the authorities in controlling the people?—Yes.

859. Sir *G. Staunton.*] What particular advantage should you derive from having freer access to the city of Canton?—We should be able to judge better in making purchases. I should prefer to go up to the silk and tea districts, but I am confined to one particular spot in Canton.

860. Does that arise from the treaty?—No; by the treaty we are allowed to enter into the city, and we are allowed to have a certain round to take exercise in, both for our health and for general information.

861. Would any commercial advantage arise from being admitted within the walls of the city of Canton?—That must be a matter of opinion.

862. Dr. *Bowring.*] Have you visited Canton at different periods?—Yes.

863. And you have been struck with the diminution of the facilities of late?—We are more confined now than ever.

864. Mr. *Ewart.*] Contrary to the treaty?—Yes.

865. Have any remonstrances been made by the British Government upon the subject?—I understand that Sir John Davis has done so; but there are other parties who can give better information upon that subject than I can.

866. Mr. *Matheson.*] Would not direct access to the high mandarins within the city be of advantage to the foreign trade?—That is what I am alluding to.

867. The prevention from going into the city deprives you of the access to the high mandarins?—I have no doubt that it does.

868. Sir *G. Staunton.*] Does not the government permit foreigners to go into the city?—Yes. I have seen a notification from the viceroy that we are permitted to go there; but that he could not guarantee our security.

869. But as far as the government are concerned, they give permission for you to go?—No doubt.

870. Viscount *Jocelyn.*] Do you think that in any instances a misunderstanding has arisen owing to the improper conduct of the mercantile community?—I cannot say that; I have seen gentlemen walking quietly round the city and being stoned.

871. According to your knowledge, has any misunderstanding always arisen on the side of the Chinese?—To the best of my knowledge it has.

872. Mr. *Ewart.*] Does the difference in the treatment of foreigners at Canton and at Shang-hai arise from the different character of the population at the two places?—Entirely; they are a different race of beings altogether. We find no obstacles whatever at Shang-hai; they are civil and kind in every way.

873. Was not Mr. Montgomery robbed and stoned in going round Canton last year?—Yes, with the vice-consul, with Mr. Jackson, who is a most quiet and inoffensive man.

874. Mr. *Matheson.*] Is it the case that on the arrival of a British ship at Canton the commander is obliged to present his manifest to the consul within a very short period?—Yes, within 24 hours.

875. Is

875. Is that manifest, in the hands of the consul, accessible to the inspection of others?—I think it is; I have had occasion to inquire for the manifests.

876. To inquire for manifests of other ships than those consigned to yourself?—Yes; and I have never found any obstacle in getting the documents.

877. Is the divulging of your cargo that arises from the circumstance of presenting your manifest to the consul at all considered a grievance?—I am not aware of it. We get our manifests sent out from this country overland.

878. Dr. *Bowring*.] Have you visited Chusan?—I have not; I have only been in the harbour.

*Thomas Bazley*, Esq., called in; and Examined.



879. *Chairman*.] YOU are resident at Manchester?—I am.

880. You are President of the Chamber of Commerce at Manchester?—I am.

881. Have you been engaged in the China trade?—Not at all.

882. What are the points which you are able to state upon this subject?—I can state generally, from observation, that a reduction in the duty upon tea, and the probable consequent reduction in the price of tea, would lead very largely to the increased consumption of tea, and would also lead probably to a very great extension of the export of our manufactures to pay for that increased import of tea. I can also state, being an employer of workpeople, that a reduction in the price of tea would be exceedingly beneficial to them, and that it would have an improving effect upon the morals of the people, whilst at the same time it would increase their comforts.

883. Have you any facts bearing upon the effect which a diminution of price has upon an increase of consumption, within your own knowledge?—I can state from observation that the workpeople that I have had under my own eyes, have, with cheaper tea, used larger quantities. I recollect well, that about 15 years ago it was the custom of a large portion of our workpeople to consume the herb teas of this country, and that as tea imported from China became cheaper, the disuse of fragrant herbs was very apparent, and the increased consumption of China tea equally apparent. I can state also that there has been an increase of temperance; that the people are much more sober since tea has been cheaper. I believe it has been exceedingly beneficial to their social condition.

884. Mr. *Harcourt*.] What is the price that your workpeople generally pay for tea?—I apprehend that the general price is about 4*s*. a pound. But we are peculiarly situated with respect to one portion of our workpeople; they have a co-operative shop, a portion of our works being established in the country, and there it is well known that the workpeople are generally the prey of two unfortunate systems. In some cases the truck system prevails, and in others the country shopkeepers, not having adequate capital to provide an adequate supply of cheap tea in the first instance, the workpeople are obliged to pay a very high price for the common necessaries of life. But in our establishment in the country, our people have a co-operative shop, and are enabled to supply themselves with very good tea at about 3*s*. 6*d*. to 3*s*. 8*d*. a pound.

885. By whom are the co-operative shops held?—By the workpeople themselves.

886. Selling various articles?—Yes.

887. Mr. *Ewart*.] They appoint a salesman?—Yes.

888. Is it conducted under a committee of management?—Yes, a committee of management.

889. Mr. *Harcourt*.] What profit do they put?—They do not make any profit; they put so much on the price to pay the expenses of the establishment.

890. Do you know what the consumption of the workpeople is at all, per head, or per family?—I cannot state in detail, but I can state that even at the present price of tea, they do not use so large a quantity as they are inclined to do. First, the parents use the tea-pot, and afterwards water is added, and the children and younger members of the family get a very weak and inferior quality of beverage.

891. Mr. *Ewart*.] Do they use principally Congou tea?—They do.

*T. Bazley*, Esq.

22 April 1847.

892. Mr. *Moffatt.*] What price does it cost on importation?—I should say the price in bond would be from 9*d.* to 10*d.* a pound.

893. *Chairman.*] Can you state any facts as to the increase of consumption by that body of persons in proportion to the lowering of price?—I am sure it is very extensive, though I have not any detail of facts to communicate.

894. Mr. *Brown.*] Has this co-operative system extended generally through the manufacturing districts, or is it confined to a very few establishments?—It is confined to very few establishments.

895. Have you known the men in one establishment co-operate with any others for this purpose?—They do not usually co-operate with any others.

896. Mr. *J. A. Smith.*] do you think that there is much adulteration of tea in country shops?—I think there is not much; I think the adulteration takes place before they are purchasers of it.

897. Do you think that the tea that is sold generally at country shops is much adulterated?—It often is very much adulterated in distant or secluded country shops, but not very generally.

898. Dr. *Bowring.*] Can you form any estimate of the consumption per head among the operative classes?—The common calculation of about 2 oz. per week I should think is very much in excess of what the working classes consume; domestic servants, I believe, frequently have that quantity allowed them, but I should say that the working classes do not consume one quarter of that.

899. *Chairman.*] You would anticipate a considerable increase of export of manufactures if there were a larger consumption of tea?—I think there is no question of it.

900. Mr. *Ewart.*] They drink sugar with their tea?—Yes.

901. Therefore it would increase the consumption of sugar?—Yes. I think the fact has come under more general observation, that there is a very disproportionate tax upon tea to that which there is upon sugar. If we assume that the consumption of tea be two ounces per head per week, and the consumption of sugar used for the sweetening of that tea half a pound a week, the tea is contributing something like 3*d.* a week, whilst the sugar is not contributing 1*d.*

902. Dr. *Bowring.*] Are the co-operative shops confined to furnishing articles of food?—No.

903. Mr. *Ewart.*] It is a kind of American store?—Yes.

904. Do the workmen consume milk with their tea?—Yes.

905. Therefore an increased consumption would be an encouragement to the consumption of milk?—Yes.

906. Dr. *Bowring.*] Have any representations been made to the Manchester Chamber of Commerce with regard to the disabilities under which manufacturers trading with China suffer?—Yes, as referring to the high rate of duty charged upon the importation of tea to this country.

907. *Chairman.*] Is that felt generally by the manufacturers of Manchester to be the great obstacle to the more extensive introduction of their manufactures in China?—It is considered to be the only impediment.

908. Mr. *Ewart.*] Is it the opinion of the Manchester Chamber of Commerce that the tea duty is the great impediment to our trade?—Yes, certainly.

909. Mr. *Baring.*] You are not engaged in trade with China yourself?—Not in the least.

910. But as the president of the Chamber of Commerce, can you state to the Committee whether there has been a very large increase of the trade to China?—A very great increase indeed.

911. About when was the greatest?—The Committee will have other witnesses before them, who will speak much more pointedly upon that than I shall be able to do.

912. Mr. *Harcourt.*] Have you bonded warehouses at Manchester?—Yes.

913. Is tea bonded there?—Yes.

914. Mr. *Baring.*] In the year 1845 was not there a great increase of trade to China?—There is always a great inclination on the part of men of business to extend trade.

915. Was there not in 1845 a very large export to China?—I cannot speak of my own knowledge, but I am aware that there have been very considerable exports from time to time.

916. Dr. *Bowring.*] Is Manchester supplied with tea more from the London or the Liverpool market?—Lately more from Liverpool.

917. Mr. *Ewart.*] How far do you think the bonding system has worked advantageously at Manchester?—The bonding system is increasing; it is considered a great boon.

918. They take more of their stores out of the bonded warehouses?—Yes.

919. Mr. *Baring.*] You say that the poorer classes generally take sugar with their tea; do not a large proportion of them drink tea without sugar?—A very large quantity of tea is drunk without sugar, also without milk or cream; many of the women of Lancashire have a predilection to take tea without either milk or sugar.

920. Mr. *Brown.*] Do not you think that the cheaper price of sugar will create a very increased consumption?—I have no question of it.

*Robert James Farbridge*, Esq., called in; and Examined.



921. *Chairman.*] ARE you a Manufacturer at Manchester?—No; I reside in Manchester, and I am a partner in houses in China.

922. You are therefore very well acquainted with the course of the China trade since the opening of it?—Yes.

923. Dr. *Bowring.*] Where are your establishments in China?—At Canton, at Shang-hai, and in Hong Kong also.

924. *Chairman.*] Will you state the result of your experience of that trade?—I am able to give information upon some points that were referred to by Mr. Gibb respecting the land sales at Hong Kong; I am an unfortunate landed proprietor in Hong Kong.

925. Under what circumstances did you become a proprietor of land in Hong Kong?—By purchase at the first sale by Captain Elliott.

926. In what year?—I do not know the year, but my partner who was then resident in China, purchased the fourth lot of land that was sold. Several days before, he was there examining the land. Mr. Gibb stated that he did not know to a certainty how long the notice was given, but it must have been some days before, because my partner was there several days examining the land, and he bought the fourth lot of land that was sold; and he wrote to me that it was an excellent thing; that he had bought at a certain rental in perpetuity; afterwards we had it on lease for 75 years. I can bear out Mr. Gibb on that point.

927. The original engagement was for a perpetuity, and it was converted into a term of years?—Yes.

928. Mr. *Hawes.*] Your only knowledge of its being bought in perpetuity is from the letter of your partner?—Yes.

929. Mr. *Brown.*] Are you aware whether any document passed between the buyer and the seller in that respect?—No, I am not. It was some time after that leases were spoken of, and then it was a matter of great complaint that it was only a term of 75 years instead of a perpetuity.

930. Mr. *Beckett.*] How soon afterwards was it that you were informed that it was 75 years?—I cannot state that; it is a subject upon which I did not expect to be asked.

931. Mr. *Baring.*] Did your partner send you home the conditions under which you bought it?—Yes: he wrote me home all the operations of the house, and it came home in that manner. Supposing that Hong Kong would be like Singapore, a free port, he expected to make a handsome thing of it.

932. Can you produce extracts from his letter upon the subject?—It is in Manchester; it is not here.

933. You would have no objection to produce it?—None at all. In fact he is in this country himself, but he is an invalid, or he would be here. We afterwards bought other land, but there were so many vexations attending it, that it was thrown up, and we lost money by it, because we were compelled to spend money upon it, and those monies were forfeited; the land was thrown up rather than comply with those stipulations.

934. Mr. *Hawes.*] You were speaking of the first sale of Captain Elliott?—Yes.

*R. J. Farbridge, Esq.*

22 April 1847.

935. Were there stipulations in the first sale which the buyer was to fulfil?—Not that I know of. Subsequently there were other sales. My firm not knowing which way the trade was to go, bought a marine lot at first, then afterwards there were other sales, and we bought, but we forfeited the penalty attaching to taking the last ground rather than go on, because we found that there were so many new things brought forward.

936. What time elapsed between the first and second purchase?—I think it was fully 12 months.

937. Were they both under Captain Elliott's original notice of sale?—The first sale was; I think the second was not.

938. Under Sir Henry Pottinger?—Yes, I think so.

939. It was on the second sale that stipulations were annexed which the purchaser was to fulfil?—Yes, I think so.

940. As far as you know of the first sale, you state that it was not accompanied with any stipulations?—Not so far as I know.

941. But all that you know is founded upon your correspondence with Hong Kong?—Yes. The first complaint that I heard was, that instead of a perpetuity we got a 75 years' lease.

942. Mr. *Baring.*] Do you mean to say that after the sale they annexed conditions, in consequence of which you threw up the property?—I mean to say that in subsequent sales, when we came to take the ground, the conditions were carried out in such a way as the persons who bought the land never contemplated, and they would rather forfeit the deposit than take the land.

943. But the conditions were part of the contract of sale?—I cannot speak positively to that; but from my information, I think that the conditions which were attempted to be enforced were not understood at the period of the sale, and therefore they would rather forfeit than take the land.

944. Mr. *Hawes.*] Speaking with reference to late purchases, do you know whether there were public notices given as to the conditions of the sale to the parties?—I believe there was a public notice.

945. Were they ever transmitted to you?—No.

946. Did you make any complaints or remonstrances, either to Captain Elliott or to Sir Henry Pottinger, upon the subject of those purchases?—My partner did. I think he was the chairman of one of the meetings where they complained of the grievances. They did what they thought they could do upon the subject.

947. Dr. *Bowring.*] Do you know the result?—The result was that they threw up the last purchases.

948. When you made a remonstrance to either the Colonial or the Home Authorities, do you know the result of those remonstrances?—I do not know.

949. You do not know whether the Colonial or the Home Authorities gave them any satisfaction?—No, I do not know, but think not.

950. Mr. *Brown.*] Are you aware whether the British Government prohibit foreign vessels that load in England with British dry goods from going to Hong Kong to sell their cargoes?—I am aware British merchants are afraid to ship British goods in an American ship to unload at Hong Kong. I believe they would not interrupt us, but they have the power of doing so; and I, for one, do not do so, though there is often great temptation to ship in American vessels from lowness of the freight.

951. *Chairman.*] It would be a breach of the Navigation Laws to ship British goods in a foreign bottom to a British colony?—I have no doubt of it.

952. Mr. *Brown.*] Was not Hong Kong expected to be a free port?—Yes, like Singapore, without monopolies.

953. *Chairman.*] Could an American ship carry out British goods to Singapore?—No, it would be contrary to the Navigation Laws.

954. Mr. *Hawes.*] You do not speak of any prohibition of the Government as to Hong Kong, but you speak of the effect of the Navigation Laws?—Yes.

955. Mr. *Ewart.*] Is not Hong Kong a free port as regards the five ports of China with which we are allowed to trade?—No, I understand that it is not; that there is a hindrance to coasters coming there.

956. With respect to those five ports, what is the impediment?—I believe it to be as Mr. Gibb has stated; I can add nothing to that.

957. *Chairman.*]

957. *Chairman.*] What is the course of the trade at Shang-hai, with which you are particularly acquainted?—The course of trade at Shang-hai has developed itself very fast indeed, till stopped for the means of getting returns home; but, from the results, I am certain that the Chinese have the greatest inclination to trade with us. When my partner first went there, there were no arrangements made to land goods, or do anything; but he sold his goods from the ship. I find, on looking at his letters, that he arrived on the 19th of October, and in 12 days from that he says that the Chinese had been on board buying his goods, and he had then got 22,000 dollars in silver ready to remit; evidently showing that, although the course of things had to be arranged, he had made sales to the amount of 22,000 dollars. At that time they gave us money; there was nothing to barter with.

958. Subsequently to that time the trade has ceased to be a trade in cash?—Yes; that was three months in 1843. In 1844 there was great business done, but in 1845 the increase of the imports into Shang-hai was 152 per cent. in addition to those of 1844. In 1846, it is still increased upon that enormous increase, 40 per cent. upon the cotton goods, and 70 per cent. upon the woollens. Yet in spite of that it is estimated that there were only 300,000 pieces of shirtings in Shang-hai on the 31st of December last, evidently showing that the whole of the goods had gone away somewhere; they were taken away by the Chinese from us.

959. What proportion did that 300,000 pieces form of the whole import of the year?—It was about what would be sold in a month, because they had sold a short time before 400,000 pieces of shirtings in six weeks, and 90,000 pieces of American goods; and those were barter trade principally.

960. Do you find any obstacle to the further expansion of the trade from the competition of foreign manufactures?—In some few goods. The principal nation with which we have to contend is the American; but it is only in some heavy goods, in cotton twills and heavy domestics.

961. Do those form a large proportion of the consumption of the Chinese?—They are a favourite article with the Chinese at Shang-hai.

962. Those very articles in which the Americans carry on a most successful competition?—Yes.

963. Mr. *Ewart.*] Do not the Americans find a return in the great amount of green tea which grows near Shang-hai?—Yes; by late information there are four American houses established at Shang-hai.

964. Dr. *Bowring.*] What do you estimate to be the difference in prices between American and English domestics?—I have never made an estimate of that.

965. But they are contemporaneously in the market at Shang-hai?—Yes; and the one rules the other a great deal.

966. *Chairman.*] They are similar in quality?—Yes; in fact they have been made like American goods.

967. But the Americans have the preference?—No, I cannot say that.

968. Dr. *Bowring.*] Do you think that the tendency of the trade at this moment is to give an advantage to the English manufacturer over the American?—There are times when it certainly is so; I believe we can sell English goods as well as American; I speak particularly of white and grey shirtings.

969. Are we not gaining ground even upon the heavy goods?—We are in Manilla.

970. Mr. *Ewart.*] Can you give any idea of the proportion which the consumption of domestics bears to the cotton goods in general at Shang-hai?—It is a small proportion; in the late sales there were 400,000 pieces of British goods sold and 90,000 American.

971. Therefore they consume the quality of goods manufactured in England principally?—They do.

972. Viscount *Jocelyn.*] Do you know whether any of the goods that are imported into China are imported for export again for Japan?—I believe that is the case at Shang-hai.

973. To any extent?—I hardly know; the goods do not stop at Shang-hai.

974. Is there any great trade between Shang-hai and Japan?—I think it is through a port called Chappoo. Shang-hai is on the Yang-tze-keang River,

*R. J. Farbridge, Esq.*

22 April 1847.

and that has been described as the great artery of China, for there is water communication nearly all over China from that.

975. Mr. *J. A. Smith.*] Have your own transactions for the last two years been satisfactory to you?—Anything but that.

976. Can you state any facts upon that subject?—One of the strongest facts is the falling off of the exports. I know, as a man of business, that if they can get a fair return, the manufacturers of Manchester will go on shipping; but if they cannot, the exports fall off.

977. You do not ship on your own account, but as an agent?—As an agent.

978. Mr. *Harcourt.*] When you state that there has been a falling off in the exports, you mean as compared with those years in which the trade has been so very large?—Yes.

979. *Chairman.*] You mean that there has been a check to the expansion? Yes.

980. The trade has not gone back to the condition it was in at the time of the opening, but there is a check to the progressive expansion?—Yes, very decidedly. I will take the article of shirting, for it is a very good criterion to go by. In 1842, before the Chinese war terminated, the export of plain cottons to all places in China was 585,390 pieces; in 1843, that was in the year the tariff was concluded, the export was 1,228,796 pieces, which was much more than double; then, in 1844, the export was 2,375,225 pieces.

981. Dr. *Bowring.*] What is the average value of a piece of shirting?—Taking white and grey, I think about 10*s.* on the average. Then in 1845, at the time the trade had still been good, we exported 2,998,126 pieces; then in the early part of 1846, we had evidence that the trade was getting a very bad one, and then the export is 1,859,740 for 1846.

982. It fell back to worse than the condition of the two years before?—It is rather more than 1843, but much worse than two years before.

983. Mr. *Harcourt.*] That is to say, it is not quite now 400 per cent., what it was four years ago?—No, that was in the time of the war. The comparison should be drawn with the years of peace.

984. Mr. *J. A. Smith.*] Was not 1843 the first year after the peace?—Yes. The tariff is dated in 1843.

985. One thousand eight hundred and forty-four was the first year after the settlement of the tariff?—Yes.

986. Do not you attribute to that the great excess of exports?—I do. The increase of the next year I attribute to the profits of the year before.

987. Are you acquainted with the invoices of those goods, and can you state the wind up of the transactions?—Of those that go to my house, I can trace them through; I know what the goods cost, and what we got back as the returns.

988. Do you conceive that since 1843 the trade has been generally advantageous?—I think that to the end of 1845 it was an advantageous trade.

989. Do you think that the returns produced the cost price of the English goods?—Not at the end of 1845, but before that they did, and with a profit up to a considerable portion of 1845; but the shipments of 1845 would tell into 1846, as to the realisation.

990. Mr. *Beckett.*] Then subsequently to 1845 you do not think that the trade has been advantageous?—Certainly not in a portion of 1845, and in the whole of 1846.

991. *Chairman.*] The check which you conceive to have been practically applied to the trade since that period has been the limitation of returns?—Decidedly.

992. Mr. *J. A. Smith.*] Do you conceive that the price obtained for goods in China since the close of the war has been on the average a profit, or the price they cost here?—Not taking 1846 into account. The loss has been tremendous, so as to pull down anything in the year before.

993. At what date should you fix the commencement of its being a losing trade, leaving out of the question at present the returns, and only speaking of the prices obtained in China as compared with the invoice prices here?—I should think the first nine months of 1845. I think up to that time we had a profit. I doubt anything being made since.

994. At what period should you date the commencement of the losses upon the

the returns, when those returns were made in goods?—Certainly 12 months back.

995. Not more than 12 months?—I am not speaking from any data when I say that, because I had not thought about it.

996. Do you mean that you are not very confident about the result of the returns?—Yes.

997. During the last year do you speak positively as to there being a loss upon the returns as well as upon the goods sent out?—Most decidedly.

998. You believe that previously there was a profit upon both?—In most instances.

999. *Chairman.*] Do you conceive that there is any possibility of a further exportation of our manufactures to China, without some alteration in the system of the tea duties?—I do not.

1000. That there is no means of sending out our own manufactures cheaper?—I am afraid not.

1001. The amount to be taken by the Chinese is limited by their power of paying?—Yes; it has got to a barter trade almost entirely.

1002. Have the Chinese any means of lowering the price of their tea?—I think they can lower the price of their tea. There was a question put to Mr. Gibb which he was not able to answer. I made inquiry, five years back, of my partner in China, as to the nature of the cost of the tea at Canton, and it resolves itself into this; that the cost of Congou tea bought in Canton for 21 taels, divided itself into three; that seven taels went to the grower of the tea; that seven more went for the packing of the tea, transit, and the internal duties till it reached Canton; and that it took seven taels more to clear the exactions in Canton; so that the grower got only about one-third what it was sold for in Canton, which was probably correct then.

1003. *Chairman.*] How much would seven taels be in English money?—About 2 *l.* – *s.* 10 *d.*, exchange 4 *s.* 6 *d.* the Spanish dollar.

1004. From that calculation, you conceive that there is room for a further reduction of teas in China?—Yes; and I would take this into account also: our trade has been 330 years now with China, and principally through Canton, which appears to be the worst place through which the trade could be carried on, because whatever we imported into Canton had to be carried at an enormous cost and great distance to the consumers, and the products that came to Canton came in the same manner; and that was a check to the English trade.

1005. Are you aware whether the tea is imported with fewer charges before it comes into the hand of the merchant at Shang-hai than at Canton?—I have reason to believe that it is.

1006. Mr. *Ewart.*] At Canton it comes over a hilly district?—Yes; it has been said that there is a considerable portage of seven or eight miles over the mountains there, called the Me-ling pass.

1007. Mr. *Beckett.*] You say that the trade has become now one of barter; in other words, that the Chinese have ceased to pay silver for goods as they used to do?—I say that more with reference to Shang-hai. At first the trade was for silver, because they had nothing else to give us, but as soon as they found that the English were there to trade, they began to bring the teas and silks; and since, I believe they have brought a great quantity of teas; but at first we were not prepared to take them, because if you buy teas you must have an inspector.

1008. The goods of the British manufacturers are sent out by you to your houses there?—Yes.

1009. And they sell them now upon the condition of receiving goods in return, not silver?—Yes, mostly so.

1010. Have your houses resorted to sales by auction?—There has been no means of doing it till just now; auctioneers have established themselves, but it is resorted to, merely to sell damaged goods.

1011. Mr. *Harcourt.*] Is the same quality of tea cheaper at Shang-hai than at Canton?—It has been.

1012. Mr. *Moffatt.*] Can you get a considerable quantity of tea at Shang-hai?—Yes.

1013. Of very fine quality?—It is very mixed at present.

1014. Sir *G. Staunton.*] Have you ever attempted to open a trade at Foo Choo Foo?—Yes.

*R. J. Farbridge, Esq.*

22 April 1847.

1015. That is nearer to the Bohea district, and therefore the tea would be subject to much less internal charges?—Yes, and therefore the Chinaman could afford to give it us at less money there. At the time we made the operation there was some disturbance, and we got badly used, and could get no redress, and had no protection.

1016. But you do not despair of that being a good place of trade?—No, I do not despair. Amoy is becoming a considerable place of trade.

1017. Viscount *Jocelyn.*] Do you think that the general character of tea has improved since the war, or is it now of a worse quality?—I think that the better kind of tea has rather degenerated.

1018. Have you any practical knowledge of the qualities of it yourself; are you a dealer in tea or a broker of tea?—Mine is a superficial knowledge of it. I have been a seller of tea, not a buyer of it.

1019. Mr. *J. A. Smith.*] With reference to your former answer, as to the profits of the trade previously to the beginning of 1846, although the cases that came to your individual knowledge might yield a profit, do you believe that that was the general condition of the trade?—I think so, so far as returns were then realized.

1020. You do not attribute the profit in those particular instances which came to your knowledge to the superior skill or to the superior good fortune of your house?—I do not.

1021. You are aware that the Committee have had before them statements of various transactions for several years back, showing great losses; should you have any objection to give the Committee a statement of the transactions which give profits?—No; but I cannot fix the particular time when the profits ceased and the losses began.

1022. When do you think that the profits ceased and the losses began?—I may be three months wrong in that, which makes a material difference. I have no data by me to go upon.

1023. Can you give the Committee an account of some transactions in 1844, on which there was a profit on the export and a profit on the import?—I cannot mention any thing in particular.

1024. Can you by sending home, get a copy of the transactions in which that result appeared?—I could make it out if I was at home, but I could not get it by sending for it.

1025. *Chairman.*] You have no doubt of being able to sustain your general opinion, that profits were made up to a certain period in 1845?—Yes, I believe they were.

1026. Dr. *Bowring.*] Do you think that the general result has been profit or loss since the opening of the trade with China?—I hardly know how the last 15 or 18 months may alter the average; there have been tremendous losses during that time.

1027. Mr. *J. A. Smith.*] Can you, on returning to Manchester, send to the Committee an account of one of the transactions in 1844, in which there was a profit on the export and on the import?—I dare say I can.

1028. *Chairman.*] Have you had any means of ascertaining the ability of the Chinese to get an increased supply of tea?—They appear at all times to have as much tea as we ask for. I have no doubt that we should have more if we were able to pay for it.

1029. Have you been able to get increased supplies without much increase of price?—I think we have; I think any increased demand, to a large extent, would rather raise the prices at first. If there was a demand for 1,500 chests, and there were only 1,000 in the market, I should expect to pay more; but there appear to have been always teas held over from one season to another.

1030. Your correspondents have never told you that the market was cleared?—I never heard that it was clear of tea; but it has been clear of some particular kind of tea.

1031. Mr. *Ewart.*] You say that the export of woollens from this country has increased to Shang-hai?—Yes; that has become a large market.

1032. Have you any means of tracing in what direction those woollens go?—No.

1033. Do they go to the north, up the canal?—Some go by the coast, some up the river, and some by the canal.

1034. Has

1034. Has the woollen trade increased in the other ports with which we are concerned in China?—I only know the woollen trade with reference to Canton and Shang-hai; it has increased very much with Shang-hai.

1035. Mr. *J. A. Smith.*] Is the increase at Shang-hai equivalent to the falling off elsewhere in the woollen trade?—I cannot answer that question.

1036. Dr. *Bowring.*] Does your personal experience go to the woollen trade as well as the cotton trade?—Yes.

1037. Mr. *J. A. Smith.*] Is the export trade of woollens to China an increasing trade?—As much as of cottons.

1038. You mean to say that the increase in woollens is as much as the increase in cottons?—I have not looked at it in that light. When I say "woollens," I am speaking of woollen cloths; I am not speaking of worsted goods at all. In 1842, which was the last year of the war, the export of long ells was 53,616 pieces; in 1843, the first year of the new tariff, it was 93,405; in 1844, 98,214; in 1845, 91,530; and in 1846, 75,784. I quote from the circular of Gibson, Ord & Co., of Manchester.

1039. Mr. *Ewart.*] Can you distinguish the ports to which they went?—I cannot, because the goods are moved from place to place.

1040. But you can state, from your own knowledge, that the exportation of woollens has decreased to Canton, and increased to Shang-hai?—Yes; of worsted stuffs, in 1842, the export was 376 pieces; in 1843, 7,278; in 1844, 14,265 pieces; in 1845, 13,569; and in 1846, 8,415. The consular returns show what went to Shang-hai.

1041. Mr. *J. A. Smith.*] Can you state the amount of the camlets?—The export of camlets, in 1842, were 3,847; in 1843, 10,977; in 1844, 20,542; in 1845, 13,374; and in 1846, 8,034.

1042. Mr. *Beckett.*] Can you give the Committee any information as to what competition there is with English woollens?—I do not think there are any that compete with us but the Germans; the Russians are excluded from the over-sea trade; their trade is entirely overland to Kiakhta; and the distance is so great, that I doubt whether many of their woollens meet ours. I had a sample sent to me by my partner at one time, which he stated were Russian woollens, which had reached Shang-hai in a small quantity and at a great cost.

1043. Dr. *Bowring.*] Would not they meet in the centre of the Chinese empire?—I never heard that as a matter of complaint. I heard that the Russians were afraid that we should spoil their trade; but I never heard it on our side, that we were afraid of their spoiling our trade.

1044. Viscount *Jocelyn.*] Was not there an attempt to make certain goods after the Russian pattern?—Cotton goods, velvets and velveteens. I do not think woollens.

1045. Did that succeed?—No, it did not answer. I tried it.

1046. *Chairman.*] Are you able to quote any particular transactions in which there was either a profit or a loss on the trade with China?—No, I am not. I have some transactions in my mind, but I am not clear whether they were since the peace or not; probably both. One transaction was rather a singular one; an operation of 3,000*l.*, and there was a profit of 2,400*l.* upon it. I know a transaction which took place; there were about 6,000*l.* invoice worth of woollens sold, and it made a profit of 3,800*l.*, upon the woollens and the tea together.

1047. Mr. *J. A. Smith.*] You were understood to state that the woollen exports to China had increased as much as the cotton exports to China?—I believe they did in the years that I quoted in same ratio.

1048. Is not the one a decreasing and the other an increasing trade, because even in the most favourable years the exports were much smaller than they were 10 years ago; take, for instance, long ells 10 years ago?—In 1843, when we began to increase, long ells were in great stock then. The increase of cottons were upon a short stock for many years; but long ells appear to have begun upon a very heavy stock, and that would keep back the shipments.

1049. Is it not the fact that there has not been a tendency to increase in the woollen trade as there has in the cotton trade; 10 years ago there was a much larger trade in woollens than there is now, and there was a much smaller trade in cottons than there is now?—Yes; the East India Company forced woollens.

*R. J. Farbridge*, Esq.

22 April 1847.

1050. The Committee would receive an erroneous impression of your meaning if they supposed that the woollen trade is now increasing in the same proportion as the cotton trade?—Certainly.

1051. *Chairman.*] Is the trade at Shang-hai in the hands of many Chinese merchants, or is it in the hands of very few?—It is rather in the hands of a few; it is rather a matter of complaint with us. But there is one peculiar feature in the trade, that the native people seem to have come and bought our goods and bartered with us directly, without the intervention of the Shang-hai people at all of late.

1052. Would not that process be facilitated if there were periodical sales to which they might come?—I think it would rather make itself periodical, because they come down with teas especially at a certain time in the season. They would come as soon as they could bring the new teas to market; that would be the period of the commencement.

1053. Can you form any estimate of the facilities which China has for the production of tea?—The best account I have ever heard is that it is produced more or less all over the country; that the greatest growth is in the provinces on the sea coast.

1054. Mr. *Baring.*] Have you sufficient knowledge to speak as to the mode of taking the duty; do you consider that an *ad valorem* duty would be practicable?—My opinion is that it would not be practicable; I do not see how it could be done, unless the teas went to a public sale; and I should think I was very much interfered with if I was compelled to put up my teas at a public sale; there is a general disinclination to public sales in this country of tea.

1055. Without a public sale, do you think that an *ad valorem* duty would be impracticable?—Yes.

1056. From the difficulty of knowing the value of the tea?—Yes; I think that is clearly seen. There was at one time a duty upon different grades of tea; the difficulty then was, to fix the different grades of tea, no two people agreeing upon it; it was like fixing where day began and where night ended. It was almost impossible to do it, the difference was so fine. It would be the same with the values of tea.

1057. Do you think that there would be a difficulty in fixing the value of a particular chest of tea?—I think that if the tea was tea of the value of 1*s.* (as rated for duty) a pound, there would be a difficulty in saying whether it was 11½*d.* or 1*s.* 0½*d.*, and there would be interminable disputes.

1858. Mr. *Moffatt.*] In the returns from the most experienced brokers, do not you frequently find a great difference between the value of tea and the prices which it realizes in the London and Liverpool markets?—Yes.

1059. Mr. *Brown.*] Suppose your teas were in bond, and they were put up to a public sale in order to fix the rate of duty, you could then buy them in, and that would be a mode of establishing the duty; why could not it be as well carried on under that system, as the system of public sales was carried on under the East India Company?—No one could compel me to sell my teas, because I could always buy them in, but I should put my teas before the public in a public document; I do not wish that publicity; there is evidently a great indisposition to have public sales; at every public sale there is less sold.

1060. Mr. *Ewart.*] Public sale is less common than it was in other articles as well as tea?—Yes.

1061. You think that it would be a great embarrassment to trade if you were forced to sell articles in any particular way?—Yes.

1062. Mr. *Brown.*] Can you give the Committee any information of the nature of the establishment of the banks at Shang-hai, as to whether they facilitate the European trade by enabling them to make transfers through them?—We have found that there has been an inclination on the part of the Chinese merchants to establish banks. They did establish a bank there, and it ceased very quickly because they had not money to go on with; there is a want of specie there.

1063. Dr. *Bowring.*] Are the cargoes sent to Shang-hai generally assorted cargoes, or cargoes consisting of one article only?—Assorted, usually.

1064. Cottons and woollens?—That depends upon the opinion of the party shipping.

1065. What is the freight to Shang-hai now?—Sixty shillings a ton outward; homeward it has fluctuated between 5*l.* and 6*l.* 10*s.*

1066. What

*R. J. Farbridge, Esq.*

22 April 1847.

1066. What is the premium upon the insurance?—To Shang-hai now it is about 60 *s.*; it is the same home. It is a quarter per cent. less, according to difference in packing the goods, or the quality of the goods in some cases.

1067. Do you meet with any competition from America in the Shang-hai market?—We have not felt it, except as to domestics and drills.

1068. *Chairman.*] You see no further possibility of the expansion of our export trade with China without some increased power of taking their products?—I do not indeed; it appears to me that we have in silk bought as much as this country can bear.

1069. You see no other resource for such expansion of the trade save an increased consumption of tea?—I do not.

1070. And you think that can only arise from a reduction of price, which must be looked for in a reduction of the duty?—I think so; I do not see any other chance for it but that.

1071. Mr. *Baring.*] Supposing that the tea trade had been perfectly free and that there had been no duty, do not you believe that the same losses would have taken place; that as soon as the trade was opened to China there would have been a very large speculation, and the revulsion that has taken place now?—I do not know how to answer that question. It is one that I have not thought about. I believe that the Chinese could take much more British manufactures than we can send them.

*Robert Gardner*, Esq., called in; and Examined.

*R. Gardner, Esq.*

1072. *Chairman.*] YOU are a manufacturer at Manchester?—A spinner and manufacturer, and I have been a considerable shipper to China, but not much the last year.

1073. Mr. *Moffatt.*] You have been engaged in the China trade?—Yes.

1074. *Chairman.*] What have you felt to be the operation of the tea duty upon your transactions?—I think it is most injurious. Our trade is limited only by our returns. As to the capabilities and dispositions of the Chinese, I believe that if they had the means of paying for them, they would take nearly all the goods that we could manufacture in Lancashire. It has been asked why we should continue so bad a trade. Permit me to say, that we never contemplated the present state of things: we took the matter as certain that after the Chinese had taken almost all the duty off our goods, our Government would have met them with a corresponding reduction; anticipating this, we continued our shipments. Sir Henry Pottinger, when he was in Manchester, spoke much about the facilities for extending our trade, and we still hoped that Government would have remitted part of the duty on tea. Therefore we continued to ship, not what the Chinese could have consumed, but to the extent we considered they had the means of paying for. In consequence, the entire trade of 1846 has been most disastrous. There has not only been a loss upon all the goods shipped in 1846, but a great loss upon the returns. We anticipated when the trade was opened a very large and beneficial intercourse with China; but instead of which, most houses in the trade have suffered heavy losses. It has been a most ruinous trade. The Committee have heard shirtings named. A piece of shirting, the cost price of which in Manchester is from about 9 *s.* 6 *d.* to 11 *s.*, according to the quality, will purchase 12 lbs. of the average quality of tea. The Chinese levy a duty upon that piece of shirting of 7 ½ *d.* per piece, and we levy upon the tea which we receive in exchange for it 26 *s.* 3 *d.* Grey cotton shirtings is one of the largest articles of export; yarn is the next largest article. Upon yarn they levy a duty of near five-eighths of a penny per pound; 12 lbs. of average quality of yarn, or one piece of average quality of shirtings, will more than pay for 12 lbs. of the average quality of tea. I am convinced that a reduction of the duty might be made, if it were done judiciously, without any loss whatever to the revenue. I find that in 1783 the duty was about 3 *s.* 6 *d.* a pound. In speaking of the quality, and of the price of tea, the trade always alludes to one standard quality. This standard quality in 1783 was 7 *s.* 6 *d.* to 8 *s.* per pound, including the duty, which was then about 3 *s.* 6 *d.* In 1784 the duty was reduced to 12 ½ per cent. *ad valorem*, consequently the price to consumers was from 3 *s.* 8 *d.* to 3 *s.* 10 *d.*, and

*R. Gardner*, Esq.

22 April 1847.

and the consumption rose in one year from 4,700,000 lbs. to 10,159,000 lbs., and the year after it was 15,851,000 lbs. In 1795, within 12 years afterwards, the consumption rose to 21,342,000 lbs. If the Committee will calculate, they will find that the public paid more money for tea in 1784, at the price of 3*s.* 8*d.* to 3*s.* 10*d.*, than they paid the previous year when it was 7*s.* 6*d.* to 8*s.* The consumption of tea continued to increase more or less as the duty was higher or lower, till last year it was 46,000,000 lbs. I believe if the duty were reduced from 2*s.* 2¼*d.* to 1*s.* 6*d.* the consumption would be at least 60,000,000 lbs. I take it for granted, that every pound extra consumed of tea would cause a consumption of 4 lbs. of sugar; this is the grocers' calculation for families, who are in the habit of allowing two ounces of tea to eight ounces of sugar to each servant per week. If the Committee put those two together, they will find that they make the present revenue. And I believe it would give employment to 20,000 workpeople extra, and to at least 50 vessels extra of 400 tons each. I would beg to call the attention of the Committee to the importance of the China trade, which is carried on entirely in British bottoms. If the Committee will contrast the trade with China and the trade with America (I mention America, because it is a popular trade at present, supplying us with food), the same amount of trade with China would require 10 times as much British tonnage.

1075. Owing to the different length of the voyage?—Not only that, the American vessels make three voyages a year, whilst the vessels to China make only one, but our China trade is all carried on in English bottoms; whereas I believe hardly one-third of the American trade is so. A reduction of the duty to 1*s.* 6*d.* would produce no loss to the revenue.

| | |
|---|---|
| 60,000,000 lbs. at 1*s.* 6*d.* - - - - - | £. 4,500,000 |
| 56,000,000 lbs. of sugar, at 20*l.* per ton - - | 500,000 |
| | £. 5,000,000 |

I would suggest that there should be a further reduction of 3*d.* per pound in each of the four succeeding years, so as to lower it to 6*d.* per pound; and I anticipate that the full amount of revenue would be produced each year. If we were to take the whole off at once we should lose much revenue, but by a gradual reduction we should not.

1076. Mr. *Ewart.*] Does not that gradual reduction produce uncertainty in transactions?—I think not, if we know at a certain time there would be a reduction.

1077. *Chairman.*] Is it not of much less consequence when the article upon which the reduction takes place is an article for which there is a certain and regular demand, as compared with an article for which the demand is uncertain and variable?—Certainly; it would produce a great deal of speculation if a great reduction was made suddenly. I think Sir Robert Peel in reducing the sugar duty lost about a million and a half to two millions of revenue, which the public did not benefit by. A great reduction would hold good if we had two years' consumption; but whenever you make a great reduction in duty, without having a corresponding stock, all the profit falls to the speculators and holders of stock. With respect to the American trade, they are interfering very much with us; they are supplanting us in all the coarser heavier cotton fabrics; all trade ends in barter, and they are more liberal in their price for tea; for while we lay a duty of 2*s.* 2¼*d.* per pound upon tea, whether of good or inferior quality, the Americans lay no duty. I think their export of tea last year from China was about 20,000,000 lbs., ours I think was about 54,000,000 lbs. The Committee will find that their exportation of tea is increasing rapidly.

1078. Have you observed the effect upon the consumption of the working classes of a reduction of duty upon tea?—I believe it would be very great. I come a good deal into contact with the working classes, who have manifested greater anxiety for tea to be cheaper than they have done either about corn or sugar or anything else. Most factory hands have a great taste for it; I have seen them take it without either milk or sugar. It has come into such universal

universal use because it requires no management in the cooking; it only requires boiling water, which they can always obtain in a mill. *R. Gardner*, Esq. 22 April 1847.

1079. It has been said that the consumption of tea leads to a consumption of spirits; do you believe that to be the case?—I believe the very reverse. If it please God that we should have a better trade, that is, more work and better wages, I think it is very probable that the consumption of tea would be at least double in two years, if sold at a lower price. I am of opinion, that if all the tea at present in this country were sold at the very highest currency of this day, it would leave to the importer a clear loss of 6 *d.* per pound.

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*Martis*, 27° *die Aprilis*, 1847.

MEMBERS PRESENT.

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| Mr. Beckett. | Mr. Matheson. |
| Dr. Bowring. | Mr. Moffatt. |
| Mr. William Ewart. | Viscount Sandon. |
| Mr. Harcourt. | Mr. J. A. Smith. |
| Mr. Hawes. | Mr. Spooner. |
| Viscount Jocelyn. | Sir George Staunton. |

WILLIAM EWART, ESQ. IN THE CHAIR.

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*Charles Turner*, Esq., called in; and Examined.

1080. *Chairman.*] YOU are Deputy Chairman of the East India and China Association of Liverpool?—I am. *C. Turner*, Esq. 27 April 1847.

1081. What is the present position of the trade with China, in your opinion?—I consider the present position very unsatisfactory. My knowledge of the trade is principally as regards the export of British manufactures to China. I am a member of the house of Sands, Turner & Company, of Liverpool. We entered into the trade at the beginning of 1845, and our business is confined almost exclusively to making advances upon manufactured goods exported to China, and different parts of the East Indies. We opened a house both at Canton and at Shang-hai, but it did not answer our purpose to continue it; the trade is in itself a very lengthy one, as it is at present conducted. Every gentleman connected with the China trade is aware that goods there are principally sold for barter; that if you sell goods for cash, you sell them at a very inferior price; and in point of fact, it is principally a barter trade. That makes it a very lengthy trade; it is probably 12 or 13 months before you get your returns home, and it is six, or eight, or 12 months before you get those realized.

1082. You cannot probably speak to the present position of the trade, because you have retired from it?—I cannot say what it is at present, but the experience of 1845 and 1846 was extremely unsatisfactory.

1083. Are there any other impediments to the trade besides those you have mentioned?—I consider that if the duty on tea were reduced, the trade would become a much more extensive one, as regards the export of manufactured goods, and a more satisfactory one. I think the probability is, that if we took a much greater quantity of tea from the Chinese, as we should do under a diminished duty, the consequence would be, that they would take from us a much larger quantity of manufactured goods.

1084. Your experience of the trade is from 1845 to the end of 1846?—Yes, from January 1845 to December 1846.

1085. Mr. *Spooner.*] What was the sort of manufactured goods which you used to export?—Manchester piece goods and woollens.

1086. Any hardware?—No.

1087. Does your knowledge extend at all to the hardware trade?—No.

1088. Nor to the habits of the Chinese, as to what they consume?—I have never

*C. Turner*, Esq.

27 April 1847.

never been there, and therefore I cannot speak to that point so well as some other gentlemen who will come before the Committee.

1089. *Chairman.*] You cannot state whether the Chinese would probably take a very large amount of other goods under altered circumstances?—From the correspondence of my house, I should say that they would take a very large quantity. Our friends there, who are well acquainted with manufactured goods, spoke of English goods being liked by the Chinese, and that there was no doubt that they would take a very large quantity of our manufactures.

1090. Dr. *Bowring.*] Is your experience of loss both as to export and import?—It is very difficult to answer that question, from the nature of the trade. If it was a cash trade, it would be easily answered. If upon the arrival of goods there you sold them for cash, and you got a remittance home, and you chose to take tea in preference, of course you could divide the export from the import; but if you are obliged, as you are now, to take tea, your tea is taken at a fictitious price there. In point of fact, if you sell your goods for cash, you sell them at a very losing price; whereas if you sell them for tea, you sell them at a price which is apparently a profitable one, but you know at the same time that you are taking an article as returns upon which, in all probability, you will have a loss.

1091. Your instructions to your correspondents in China were to make the returns in tea?—No, to make the returns in the best way they could; but the necessity of the case obliged them to make returns in tea, or in silk.

1092. In the ordinary way of transacting business in China, do you make the returns in tea or in silk with reference to the prices quoted there?—The general instructions are to take the best returns they can, according to the circumstances of the case.

1093. You leave a great latitude?—You are obliged to do so; you could not get on without.

1094. Mr. *Spooner.*] Can you give the Committee any idea of the difference between the cash price and the barter price of goods?—It varies very much indeed; I should think it would vary from six per cent. to 25, according to circumstances.

1095. Whereabouts is the average?—My experience is so limited, that I can scarcely say.

1096. As far as your experience goes, what was the average of those two years, 1845 and 1846?—I can hardly say, for we sold nothing for cash; they would not have been saleable for cash at all.

1097. Viscount *Jocelyn.*] Is not there this peculiarity in the trade with China, that it is carried on between the manufacturers in this country and the producers of tea in China with no intermediate merchant?—It is the same as the export to Calcutta and other places; a number of houses in England have houses in China. The general character of the trade is, that you make advances to the manufacturers here, who through you export goods to your house in China, and your house in China sells to the Chinaman. There is the same course in Calcutta, Bombay, and other places.

1098. With South America and other parts of the world, is not the trade carried on by the merchant, who speculates in the manufactures of this country?—Very seldom; of course some parties take an interest; but I should say that the greater part of the trade is carried on by a commission house, who give facilities to the manufacturer. It is essentially in the bulk of it commission business.

1099. Do not you think that the manufacturer is more likely to glut the market with his manufactures, than would be the case if the trade was carried on by means of the merchant in this country?—There is no doubt that if the commission merchant made no advances to the manufacturer, he could not carry on the trade to the same extent; but that would curtail very much our manufactures. The manufacturer has his wages to pay, and the expenses of his manufactory to meet, and he could not afford to lie out of his money for two years; he is obliged, in order to carry on his manufacture, to take advances, or to get facilities.

1100. Dr. *Bowring.*] What is the mode of rendering the account to the consignees. Is an account of sales rendered in dollars, though the goods may be bartered, and an invoice of the teas purchased in China for those goods, also rendered to the consignee?—Always it is given in dollars, but it is understood

stood that the goods are sold for payment in tea. The general character of the trade is this. There are a certain quantity of those goods consigned to you in China, and you apply to the Chinaman to buy those goods, and he buys them upon the understanding that you are to take payment in tea when he has tea to suit your purpose, and you are to take it at the current price of the day. In some cases you get the tea in the first instance. He has chops of tea to suit you, and you know that some goods are coming out.

1101. As regards the returns made in silk, are you able to compare the results of any adventures where silk has been the return with those in which tea has been the return?—Yes. In our experience the returns in silk have paid better than the returns in tea.

1102. Are there any other commodities in which the returns are made?—We have no returns except returns in silk and in tea.

1103. *Chairman.*] The great disadvantage to the commerce is the uncertainty of the value of the article which you receive in exchange?—That is a very great disadvantage.

1104. Would that disadvantage be removed by a reduction of the tea duties?—I think it would have a tendency to reduce it, because you would have a much greater demand for tea in this country, and you would have an article which would be more easily turned into cash. The nearer you can reduce it to a cash transaction, the more satisfactory it is to the merchant, particularly to the commission merchant. When you make advances, there is a particular necessity that you should have something in return upon the value of which you can calculate.

1105. Have you ever considered what, from your experience, would be the most appropriate sort of duty to impose?—My experience of the *ad valorem* duty would be, that it would be quite impracticable to go on with an *ad valorem* duty. I am satisfied that there would be such an outcry amongst the mercantile community, that it could never last for any length of period. We tried it once before, and the difficulty was very great. There were different rates of duty; there was one rate for Bohea, and other rates for other kinds of tea.

1106. The *ad valorem* duty was never tried, except under the East India Company?—No; but we had a discriminating rate of duty. I do not see that you could levy an *ad valorem* duty. There are so many different qualities of tea, that there would be a constant squabble between the merchant and the custom-house officer as to what rate of duty it was to come under. In fact, I might get tea which cost me a considerable sum of money in China, and when it came to this country, it might be valued by the custom-house officer at a higher price, and subjected to a higher duty than other tea which another man got which cost him much less.

1107. Then you think that the custom-house officer would not be an adequate medium for carrying out an *ad valorem* duty?—I am quite certain of it. My experience would prove that if you put up samples before half a dozen different tea-men, who are all well acquainted with the trade, there would be a variation in the value of from 2 *d.* to 3 *d.*, and sometimes 4 *d.* a pound, and even more, even amongst men well acquainted with the trade.

1108. You are aware that under the East India Company the *ad valorem* duty was taken upon the sale price of the whole amount of tea passing through the narrow limits of the auction sales, the duty being easily imposable upon that stage of its transit; do you think that that system would be practicable with an open trade with China?—I do not think that it would. It would fetter the merchant, if he was obliged to keep all his tea for a particular sale. There must, in that case, be periodical sales, and it would fetter the operations of the merchant extremely.

1109. In what way would it fetter the operations of the merchant?—For instance, my tea might arrive immediately after a periodical sale; there might at the time be an extremely good demand for tea, and I might think it a very good time to sell my tea before other cargoes arrived that were on their way, or I might foresee other circumstances which might greatly affect the value; but still I could not sell my tea, but I must hold it for a few months, although I might know from a variety of circumstances that the tea market must go down; I should not be master of my own property.

1110. Even supposing that objection to periodical sales were overcome, would there not be a further objection, that you could not transact your sales

*C. Turner*, Esq.

27 April 1847.

by private contract?—I could not sell my tea whenever I pleased. As regards the revenue, another objection would be this, that whenever tea was, from circumstances, very difficult to sell, it would be the interest of the merchant to press his tea upon the market to get other people to buy it, so as to fix the duty at a low rate, and then keep that tea for a better market.

1111. Have transactions, generally, by private contract, increased much within the last 20 or 30 years, within your knowledge. Was not it the case formerly at Liverpool that sales were made very mainly by public auction?—My experience at Liverpool during the last 15 years has been, that in some trades you cannot sell anything by auction. In the sugar trade, for instance, parties will not buy by auction (I am speaking particularly of the East India sugar trade), except damaged sugars, and in the tea trade you can sell very little, if anything, by auction.

1112. Do you remember when the sugar trade was conducted more by auction at Liverpool than it is at present?—Not the East India sugar trade. I do not know much about the West India trade.

1113. You think that fettering mercantile transactions, by obliging them to go through a public auction, would be a great impediment to commerce?—I am quite certain that if that system were adopted, there would be such an outcry against it that it must be altered.

1114. Dr. *Bowring.*] Are the Committee to understand that it is your belief that under an *ad valorem* duty, teas of the same quality would pay a different amount of duty in the same port?—I think there would a constant squabble with the custom-house officers. How it might result I do not know, but I think that that would be very likely to be the case, because different people connected with the trade would value those teas differently till they came to compare notes.

1115. If that were the case in one port, would it not be much more the case if teas were imported into a great variety of ports?—Unquestionably: it might be tried, but it could not possibly be continued.

1116. *Chairman.*] Now take a duty levied by discrimination of the different qualities according to different rates, what is your opinion of that?—That system was tried, and the inconvenience was so great, that everybody complained of it, and by universal consent it was abandoned. I was a member of the East India Association at the time, and we memorialized the Treasury on the subject more than once. I know there was an universal feeling against it; Bohea tea was imported at that time; Congou tea came after that time universally as Bohea. It was called Bohea in order to come under the lower rate of duty. There was a great deal of attempt to pass superior tea under the lower rate, which will always be the case under such circumstances.

1117. Dr. *Bowring.*] As far as you have been enabled to gather the opinions of the China merchants in Liverpool, is their opinion generally unfavourable to an *ad valorem* duty?—Universally, with one exception.

1118. *Chairman.*] And also to a discriminating rate of duty?—Equally so.

1119. Has anything tended to alter the opinion which was generally expressed in 1834, when the subject was under the consideration of Parliament?—I do not think there has.

1120. Then you arrive at a fixed duty?—A fixed duty is the only thing that can possibly be satisfactory. The only question is, at what rate you shall fix the duty.

*George Moffatt*, Esq., a Member of the Committee; Examined.

*G. Moffatt*, Esq.

1121. *Chairman.*] YOU are familiar with the East India trade generally?—I am.

1122. Since the abrogation of the East India Company's monopoly what has been the course of the China trade in your experience?—The abrogation of that monopoly has been productive of very large alterations both in the imports from and the exports to China, it has very much extended the business between this country and China; according to the returns, the imports from China have increased nearly 100 per cent. The average imports to China from India and England in five years prior to the abrogation of the East India Company's monopoly were of the value of about 2,000,000*l.* sterling. In the year 1844 the value of the imports was 4,134,000 *l.*; since 1844 there has

has been a reduction. In 1846 the imports from India and England to China had fallen to 3,087,000 *l.*, making a decline since 1844 of upwards of 600,000 *l.*

1123. To what do you attribute that decline?—I believe it is mainly attributable to its having proved a very losing trade in the late years. The difficulty of getting returns from China is felt on all hands, and has been a matter of complaint on the part of the importers of goods from China for the last several years. I believe that the difficulty is very greatly increased by the large value of opium which is sent from India to China, which is not included in the statement of returns that are sent in, no official account being taken of that in the China returns; but we have, through the returns of the East India Company, a very accurate notion of the value imported. The value of opium imported from India to China is very little short I believe in the last year (for which there is no official return) of 5,000,000 *l.* sterling; for the year 1844, for which there is a return, the value was 4,800,000 *l.*, making the balance of trade very much against the Chinese, hence they demand and obtain a very high price for their teas, which the importers into China of English produce are compelled to take in payment. To the unprofitable results of these purchases I attribute the recent falling off in the imports to China.

1124. Mr. *Matheson.*] You mean that they are compelled by the force of circumstances, for the want of any other article, to take tea?—Yes.

1125. They are not compelled by authority?—Precisely so. With regard to the alterations consequent upon the change in the East India Company's charter, I have ascertained what was the price paid for tea in China during the last year of the East India Company's exclusive import. In the year 1833, those prices varied on Congou tea from 19 to 28 taels. I have taken out the actual cost of the whole of that import, taking the charges, and so forth, not as the Company made them, but as we calculate them now, as they actually do exist, including freight, insurance, and so forth. The import in 1833 amounted to 27,766,980 lbs., and the cost price to the East India Company was 1,901,579 *l.* That is taking the rate per picul at the price which it actually cost, and the rate of exchange at 4 *s.* 6 *d.* a dollar. The price which the East India Company obtained for that quality tea, or tea of a similar quality, in that year, amounted to 3,111,140 *l.*

1126. What was the ratio of the selling price to the cost price?—It was not quite double. The cost price was 1,901,579 *l.*, and the selling price, 3,111,140 *l.*

1127. Dr. *Bowring.*] In giving the results, have you taken from those results the cost of bringing the teas home?—Yes. I have also taken, by way of comparison, the import of tea last year, which was 56,503,000 lbs. The cost price of that tea in China was 3,630,000 *l.* This must, of course, to a certain extent, be an estimate; but it is an estimate made with very great care, by myself and by two brokers interested in the trade taking the teas that came in, and the prices which were known to have been paid in China for those teas. The prices paid by the wholesale dealers, that is, the price realized by the importers of those teas, was 2,970,000 *l.* So that in 1833 the Company obtained 3,111,140 *l.* for 27,766,980 lbs. of tea; and in 1846 the public gave 2,970,000 *l.* for 56,503,000 lbs. of tea, the quantity being more than double, and the cost to the public about 200,000 *l.* less.

1128. Viscount *Jocelyn.*] You take the last year of the trade, which is in fact a losing year?—Yes; there is 600,000 *l.* difference between the price paid by the importers and the price realized by them, which is the estimated loss upon the China trade of last year. The revenue derived in 1833 from tea, at the *ad valorem* duty, was 3,444,102 *l.*; in 1846, at 2 *s.* 2 ¼ *d.* duty, the revenue was 5,115,898 *l.*

1129. You say that for some years there has been a loss in the exports to China?—That has been the allegation of the merchants here for the last several years, and I think it may be evidenced by the continual fall in price of exports while the prices of tea in China have been maintained until the present season; in the present season teas have been bought on more reasonable terms in China.

1130. Mr. *Hawes.*] When you speak of the imports into China from India, or from England, do you mean into China Proper?—I mean confining it to the authorized ports, and excluding opium and silver; there is an immense amount

*G. Moffatt*, Esq.

27 April 1847.

of opium goes from India to China, and occasionally some dollars go from England to China.

1131. *Chairman.*] Is there an export of silver from China to India?—A very large export of silver.

1132. And you think that a reduction of the tea duties would tend to balance the trade better than at present?—Anything that will tend to enable us to take the returns which the Chinese can give us, will tend very much to set the trade in a right position.

1133. Mr. *Hawes.*] The main articles of export from England to China have fallen in price, and the main articles of import from China have remained at the same price for some time?—Till the present year.

1134. In the present year there has been a decline in some of the articles imported from China?—A considerable decline.

1135. What are those articles?—I refer chiefly to tea, in which there has been a considerable reduction in the China prices of almost all descriptions in the present year.

1136. Can you give any information to the Committee respecting silk?—I have a general knowledge with regard to silk, but the Committee will have more positive information upon that from others.

1137. Can you state whether there are any other articles of import which have been lately introduced?—Yes, sugar, of the importation of which great expectations were formed. Last year we had several cargoes of sugar; the first cargoes paid exceedingly well, but the recent depreciation in the price of sugar will render it less profitable.

1138. Viscount *Jocelyn.*] Is that refined sugar?—No, it is raw sugar.

1139. *Chairman.*] Have you any means of knowing how far the crop of sugar could be extended in China?—The reports are of a most contradictory character, and I believe that nothing is positively known upon that subject.

1140. Mr. *Hawes.*] With regard to sugar, is there a general opinion amongst merchants and traders in China that it is an increasing source of import?—Very confident opinions were entertained that it would be so; but the recent imports have not paid, consequently unless they can buy their sugar cheaper, I believe there are other sources of supply that will cause China to be neglected.

1141. With regard to the produce of sugar in China, is there anything at all specific known as to the quantity capable of being produced there?—I believe not.

1142. Are there any new articles of importation in which there has been an increase?—No. There certainly is a considerable increase of minor articles imported from China; but there is no article except tea and silk which forms any item sufficient to disturb the balance of trade either one way or the other. Tallow was spoken of; some expectations were formed with regard to a vegetable tallow, which it was said they could send us cheaply, but those have not been realized.

1143. Dr. *Bowring.*] What is the quality of the China sugar as compared with the produce of India?—The quality of the China sugar is of the same class, and has the same objections as the sugars originally sent from the valley of the Ganges; there is rather a bad flavour upon it; but that, I believe, could be easily cured, as it has been in the sugar of Hindostan.

1144. Is it a clayey flavour?—A very peculiar flavour.

1145. *Chairman.*] Some of the witnesses have stated that there has been a loss both upon the exports of goods to China and on the teas imported from China; does your experience confirm that?—I believe there has been a loss both ways; but I rather think that last year was an exception to the general rule in that respect.

1146. In what way?—That generally there has not been a loss both on the outward and the homeward transactions.

1147. Has there been a gain upon the teas?—I suspect that the gain has been occasionally upon the tea, but principally upon the manufactures exported, until 1845 and 1846.

1148. With regard to the future supply of tea in China, can you give the Committee any information as to the probable future supply of tea?—Upon that

that point I think I can only judge from what has occurred, that there has never been a demand for tea in this country but what we have always found in the succeeding season that the Chinese could give us more than we wanted.

1149. Dr. *Bowring.*] Have you found that the export of tea from China easily accommodates itself to the English demand as regards quality?—With the most remarkable facility. In the year 1844 there was a species of tea which then came rather into vogue, called Orange Pekoe; in that year we had 995,000 lbs. imported; in the following year, in consequence of the price having increased, we had 1,638,000 lbs. imported; and in the succeeding year 2,515,000 lbs. The same thing occurred in those three years with regard to Imperial and Gunpowder. In the year 1844 we had 1,827,000 lbs.; the next year 3,355,000 lbs.; and in the year 1846, 3,671,000 lbs.

1150. Therefore, judging from the result of the trade, you would suppose that there was almost an inexhaustible supply of tea in China?—From the results, one would arrive at that conclusion; but which is confirmed by conversations I have had with a great number of people from China; their opinion is unanimous, that any quantity of tea that we want, if we only give them one or two years' notice of it, we may obtain it.

1151. If there is a glut of teas in bond, is their quality and character such that they can be easily shipped to the Continent?—We are the principal channels of supply to the Continent at present. We send annually between three and four millions of pounds of tea there.

1152. Is the same description of tea generally approved on the Continent that is consumed in this country?—It is chiefly a low description of tea, except a fine flowery Pekoe.

1153. Are you aware of the kind of tea generally consumed in Portugal?—Pekoe, chiefly.

1154. Is that supplied from our English depôts, or do they import it direct?—They have a small importation direct from Macao.

1155. *Chairman.*] The re-exportation of tea from this country has not much increased of late, has it?—Not largely; it is about stationary.

1156. Do you think that if the duties were reduced there would be a probability of this country becoming the depôt of tea, if there were an increased Continental demand?—I think we are the depôt of tea for the Continent at present.

1157. Do you think that we should be, to an increased extent, the depôt of tea for the Continent, if our importations were considerably increased?—Yes, as we shall unquestionably get a largely increased supply of tea from China.

1158. There is, probably, the greatest assortment of teas in this country, which would make it the principal market for teas?—That is the reason for it at present.

1159. Mr. *Hawes.*] To what amount do you propose to reduce the duty on tea, in order to raise the consumption to its maximum?—It is difficult to ascertain what the maximum is. I believe to whatever extent you choose to reduce the duty, you will find a corresponding advance in the revenue; and I would demonstrate that by referring to the last few years of the trade, to show how closely the price of tea governs the quantity consumed, and how, with most wonderful accuracy, the increase or decrease of the consumption has followed the price. In the year 1836 we retained for home consumption 38,558,000 lbs. of tea; at that time the average price of common Congou and common Twankay was 1 *s.* 2 ½ *d.* a pound; in 1837 we consumed 37,556,000 lbs., and the average price was 1 *s.* 1 *d.* I will explain how the difference arises afterwards. In 1838 we consumed 36,415,000 lbs., and the price was 1 *s.* 4 ½ *d.*; in 1839 we consumed 36,351,000 lbs., and the price was 1 *s.* 7 *d.*; in 1840 we consumed 31,716,000 lbs., and the price was 2 *s.* 4 ¾ *d.*; in 1841 we consumed 36,811,000 lbs., and the price was 1 *s.* 10 ½ *d.*; in 1842 we consumed 37,554,000 lbs., and the price was 1 *s.* 9 *d.*; in 1843 we consumed 39,902,000 lbs., and the price was 1 *s.* 2 ½ *d.*; in 1844 we consumed 41,176,000 lbs., and the price was 1 *s.* 1 ½ *d.*; in 1845 we consumed 44,127,000 lbs., and the price was 1 *s.*; and in 1846 we consumed 47,534,000 lbs., and the price was 9 ¾ *d.* This calculation is based not on the lowest price of Congou, but upon the general

*G. Moffatt*, Esq.

27 April 1847.

general run of Congou, four-fifths of common Congou, and one-fifth of common Twankay.

1160. Do you attribute the increase of the consumption entirely to the reduction of the price?—Of course it is slightly disturbed by the increase of the population, otherwise I attribute it exclusively to the reduction in the price. This calculation appears to have been disturbed in the years 1836 and 1839. In 1836 the consumption of tea was admitted to have been considerably increased by the quantity of common Congou that obtained admission under the Bohea duty of 1 *s.* 6 *d.* per pound. Tea was practically cheaper to the public, because a great deal of Congou was brought in as Bohea. Then in 1839 the average price for the months of November and December ruled at 2 *s.* 6 ½ *d.* per lb., but this advance in price was so sudden as scarcely to come into operation on consumption until the following year. Excluding the last two months, the average price would be 1 *s.* 4 ¼ *d.* per pound.

1161. Mr. *Spooner.*] What was the price in 1836?—The price in 1836 was 1 *s.* 2 ½ *d.* In 1837 it appeared that the price was lower, but that was accounted for by a great deal of Congou coming in at the 1 *s.* 6 *d.* duty.

1162. *Chairman.*] Was the 1 *s.* 6 *d.* duty in existence then?—Yes, it was in 1836.

1163. Mr. *Matheson.*] A quantity of tea was cleared that year, not for consumption, but in order to have the advantage of a lower duty?—That is quite right. I did not take the duty paid, but I took the quantity that was actually delivered for home consumption, because otherwise this would appear to differ from the official returns, which would show a much larger quantity retained for home consumption, by reason of the duty having been paid upon the Bohea of 1 *s.* 6 *d.* a pound

1164. Can you state the quantity of Bohea which was cleared for the sake of the reduced duty for consumption, in addition to the consumption you have got?—I do not recollect that at present.

1165. Mr. *Hawes.*] It appears that there has been a steady increase of consumption for the last few years?—The last five years; from 1841, when it was 1 *s.* 10 ½ *d.*, to 1846, when it was 9 ¾ *d.*

1166. Since the year 1842?—Yes, inclusive.

1167. Since 1842 have not there generally been low prices of food in this country?—Yes.

1168. Since 1842 has not there been very considerable employment of the people generally, and better wages than usual?—Yes.

1169. Do you, or do you not, think that those circumstances must materially operate upon the consumption, irrespective of the small variation in the duty?—That is clear, that if people have not money to spend, they cannot buy tea.

1170. There are other circumstances operating to account for the increased consumption, irrespective of the reduction of price, and in conjunction with the reduction of duty?—I answered the question, assuming the circumstances of the country to be the same.

1171. Would you compare the circumstances of the country since 1842, looking at the low price of food, and the employment of the people, with any preceding period?—There is no question that there has been more money to be spent in tea, and every other article, since 1842, than there was a few years prior to that.

1172. Since the year 1842 there have also been great alterations in the tariff?—Precisely.

1173. Would not those have a great effect upon our import trade?—Yes; but except as regards the articles of food, I do not think there is anything which would at all touch the consumption of tea.

1174. Have not the imports increased very materially in the last five years in quantity and value?—Very largely.

1175. In consequence of the alterations in the tariff?—Undoubtedly; sugar is one great item.

1176. You have had a low price of food; you have had better wages amongst the people, and you have also had the benefit of free trade; would not all those causes operate upon the consumption of tea, irrespective of the variations in price you have mentioned, to a very great extent?—They would operate, no doubt, and are likely to continue to operate, and to tend to increase the

the consumption very largely still; and it is partly upon the consuming powers of this country that I have given the opinion that you would have a very large increase of consumption if the price were reduced.

1177. You say that the quantity to be imported from China might be increased to an unlimited extent?—I think it might be double what it at present is, in the course of two or three years.

1178. You say that by giving the Chinese one or two years' notice, that might be accomplished?—I believe so.

1179. Is it your opinion, then, distinctly, that in one or two years the Chinese could double their exports to England?—I have very little doubt of it.

1180. What are the grounds of that opinion?—I have already stated that we have never wanted any description of tea but we could get it next year; in the ensuing year we got a larger quantity, and in the subsequent year we got a still larger quantity; and I gave instances with regard to Orange Pekoe, and Gunpowder, and Imperial.

1181. *Chairman.*] And you partly derived your belief from the information of persons well acquainted with China?—Yes.

1182. Mr. *Hawes.*] Do you know the quantity of land now under cultivation for tea in China?—No.

1183. Do you contemplate, in the event of an increased production of tea, an increased quantity of land being put into cultivation, or that the same land would produce double the quantity?—I do not think it necessary that the same land should produce double the quantity, for us to obtain double the quantity of tea.

1184. In that case, if we increase our importation, do you contemplate that some other country will import less?—I think not, because for all other countries in the world put together, the quantity taken from the Chinese is exceedingly limited. The Americans are the only people who take any considerable quantity besides ourselves.

1185. Where is the increased quantity to come from; must it not come either from the land now under cultivation, or fresh land brought into cultivation?—I do not think that is necessary. I think the Chinese drink it themselves, and they would manufacture it to suit our taste, if we would consume it.

1186. Whence is it to be produced; is it from the land now in cultivation?—I presume so.

1187. You think that the Chinese would consume less if we took more?—They might consume 50,000,000 lbs. less. I do not think that would be a great quantity in their consumption.

1188. Do you know anything of the consumption of tea in China by the Chinese?—No; one would be loth to state anything beyond what one has always read from the time of Marco Polo downwards; but in every book you read you find that they are drinking tea at frequent intervals throughout the day. The accounts all go to that point, that the quantity they consume must be something most extraordinary.

1189. But there is no accurate information upon that point?—I think not. Mr. Montgomery Martin gives you some data, but I do not know whether they are accurate.

1190. Supposing the importation of tea to England to be doubled in two years, can you can state, from the knowledge you have respecting China, how that is to be accomplished. Do you contemplate an increased cultivation, or increased production from the same extent of cultivation?—I think there would be a diversion of the tea from the home use. If the foreigners would give a higher price than they obtain at home, it would be sold to the foreigners.

1191. Then the price of tea would rise in China?—I do not think that the price of tea would rise in China materially. We have not found that as we have increased our demand the price of tea has risen; on the contrary, in the case of the Orange Pekoe, the price of that is much lower now although they produce a much larger quantity.

1192. But if the supply of tea to the Chinese were reduced in order to supply the importation of England, would not that reduction of supply to the

*G. Moffatt*, Esq.

27 April 1847.

Chinese lead to an increase of price in China?—To a very trifling extent, I apprehend.

1193. But to some extent?—At first it would unquestionably; unquestionably the prices for the first year or two would be stimulated in China, and there would be an inducement to bring a larger quantity.

1194. Therefore the reduction of duty by increasing the importation, and that importation being fed from the tea now consumed by the Chinese, would lead to an increase of price in China, and to that extent diminish the effect of the reduction of duty?—That would be a temporary operation; I believe that permanently that operation would not have that effect; that the price of tea would be at any rate as cheap as at present, and probably if we took a larger quantity it would be cheaper. We have always found that where we could take a larger quantity, where there was no natural obstruction to the supply we have got the article cheaper.

1195. When you say "permanently," you do not mean a period of one or two years, do you?—No, I stated that the first effect would be, I believe, to enhance the price in China; but after two or three years I think you would have the price of tea as low as you have it now, most probably lower, judging from experience in what we have now; it is cheaper now we have 50,000,000 lbs. than it was when we got 26,000,000 lbs.

1196. Are the Committee to understand your opinion to be, that if the increased importation of tea from China had the effect of raising the price in China, the cultivation of tea would increase, and the prices would be again reduced in the course of four or five years?—Yes, and even less than that.

1197. Dr. *Bowring*.] Would not the effect of the extra demand depend upon the amount of supply upon which the demand operated. A small extra demand upon a very large stock would not have the same effect upon prices as a great demand upon a very small stock?—Unquestionably not.

1198. Supposing it to be the fact that the consumption in China is from 1,000,000,000 lbs. to 1,500,000,000 lbs., an augmented demand of 30,000,000 lbs. or 40,000,000 lbs. for the English market, would not greatly affect the Chinese prices?—I think not.

1199. Mr. *Hawes*.] All tea grown in China is disposed of either by home consumption or by export?—I should apprehend that a great deal of it is not gathered in at all.

1200. Viscount *Jocelyn*.] What reduction of price do you think is required to increase the consumption very much in this country?—The table which I have read shows that the more you reduce the price the more you increase the consumption. If you reduce the price 1 *s*. per pound, I think you will increase the consumption in more than that ratio of increase.

1201. Since the alteration of the duties on coffee, the consumption of coffee has been very much increased in this country?—Yes; and the same thing has happened with sugar in a yet more extraordinary degree.

1202. Do not you believe that a large class of the consumers of coffee are those who you imagine would swell the numbers of consumers of tea?—Judging from experience, they have both increased simultaneously. The very rapid increase of the consumption of coffee has gone on with an increased consumption of tea. In five years, with an increase of 10,000,000 lbs. in our consumption of tea, that is 25 per cent., we have had a larger increase in the same period in the consumption of coffee.

1203. Do you believe that we could afford such a diminution in the duty on tea as to enable it to compete with the price of coffee?—At the present time we do compete with the price of coffee; and I believe if you had a diminution in the price of tea, you would have a corresponding increase in the quantity of tea consumed.

1204. Is not it generally admitted that coffee is a much greater stimulant than tea?—I believe the very reverse, that is, as a mental stimulant; as a nutritive stimulant I think coffee is the strongest.

1205. In the manufacturing districts is it not coffee which the people employed in manufactures chiefly use now?—Persons in the manufacturing districts tell me rather that it is not so. It is a singular thing, that whenever there is distress, and provisions are dear, the people always take to drinking tea; the consumption

consumption of tea always increases, because it is the cheapest stimulant which they can obtain.

1206. You think that there is a large market yet for the consumption of tea which is not filled up by consumers of coffee?—I have not the slightest doubt upon that subject.

1207. Mr. *Spooner.*] Does it come within your knowledge that there has been an increased demand for tea from Ireland since the distress in Ireland?—Unquestionably there has.

1208. Does it come within your knowledge that that is frequently the case when there is distress in the manufacturing districts?—Certainly.

1209. Would not that afford another disturbing cause, besides the lowering of the price of the article?—It would tend to increase the consumption. But those are temporary causes; my opinion is based upon the assumption that this kingdom is to continue in an equally prosperous state to what it at present enjoys.

1210. You have stated, that till last year the loss has been upon the import of the tea, and that there has been a profit on the export of the manufactured goods?—Within the last two or three years.

1211. Within the time that you mention, was not the trade carried on by barter?—It was carried on much as it is carried on now, by nominal barter.

1212. Then how can you distinguish that the loss attaches to the export rather than to the import, when it is all formed upon the balance of a barter account?—The way that the manufacturers do is, to take the price realized for their goods, and they throw the loss generally upon the teas that come home invoiced at a certain price when they do not realize that price.

1213. Then it is a matter of allocation of price?—If it is a barter transaction, it must be so.

1214. Supposing that those goods exported, upon which you state there was a profit, had been paid for in silver instead of in tea, would they then have realized a profit or a loss?—My opinion is that they would have realized a profit prior to the last two years.

1215. Even if they had been paid for in silver?—That is a question that I cannot answer.

1216. Mr. *J. A. Smith.*] When do you date the commencement of the losses on the trade?—From 1844; there were many large losses prior to that time, but not upon the general range of the trade. I should like to state to the Committee, in reference to the reduction of duty, the result of some inquiries that I have made with respect to the increased consumption of sugar which follows upon an increased consumption of tea; I was at some pains in making the inquiry in various channels. With regard to the consumption of the people of this country, I find, from a pretty general inquiry amongst my own domestics, amongst the clerks in my office, and amongst my friends also, that the average consumption is equivalent to 12 lbs. of tea per annum. It is a recognized practice, in a great many families where I have inquired, to consume a quarter of a pound of tea per head per week, which is equivalent to 12 lbs. of tea per annum. I have already stated my opinion that a very large consumption would be produced by a reduced price, which can only be now effected by a reduction of the duty, as I think I have proved by the evidence which I have put in, that tea cannot at present be obtained lower from China, and that it is obtained at present by a loss to the importer. With regard to the consumption of sugar, I have obtained returns from different sources, from private families, lodging-house keepers, and servants. It appears that there is used, taking raw and refined sugar, equivalent to 3 lbs. 12 oz. to every pound of tea; and the duty at 21 *s.* per cwt., which that sugar must pay at present, would be equivalent to 8 ½ *d.* for every additional pound of tea consumed.

1217. Mr. *Hawes.*] To what amount would you reduce the duty?—That is a point for the Chancellor of the Exchequer and Her Majesty's Ministers.

1218. What reduction would you propose at this moment in order to produce the results you contemplate?—To produce the result of replacing the revenue within five years, I should not hesitate to give an opinion after very mature consideration, and looking at the various effects of price upon consumption, that within five years we should replace the revenue, if we reduced the duty to 1 *s.* a pound.

*G. Moffatt*, Esq.
27 April 1847.

1219. What do you think would be the loss of revenue during those five years?—In the first instance, the loss would be considerable. It is somewhat hypothetical, but I do not think you could calculate upon an increased consumption of more than 30 per cent. in the first year.

1220. What was the last return of the revenue from tea?—£. 5,100,000 upon the 47,000,000 lbs. of tea.

1221. To what extent do you contemplate the fall in the revenue if the duty were reduced to 1 *s.*?—The fall in amount would be very large, if you had only an increase in the quantity of tea, such as I contemplate the first year. But the increased revenue from sugar would, to some extent, compensate it.

1222. What do you think would be the amount of the loss, allowing for the increased duty upon sugar?—I have not brought out the figures fully.

1223. Do you think it would be reduced to 2,000,000 *l.*?—Certainly not.

1224. Would it be reduced one-half?—No, I do not think it would, if you add an increase of 30 per cent. on the quantity, which I believe is a safe estimate.

1225. What do you think the revenue from tea would be; would it be 3,000,000 *l.*, or three millions and a half?—I have not reduced that to a money calculation, but I would say that you would have the first year a diminution, at any rate, of 1,000,000 *l.* in the revenue, allowing for sugar, and possibly rather more than that.

1226. You think that the reduction of duty to 1 *s.* would not produce a greater loss to the revenue than a million in the first year?—I think there will be at least a reduction to that extent, and possibly more.

1227. You have not formed a precise opinion upon it?—It only requires to figure it out. I have stated that the increased consumption I believe would be 30 per cent., and that would be about 16,000,000 lbs. of tea; then you would take off 1 *s.* 2 ½ *d.* a pound, and then again you would gain upon the sugar duty; I think the loss would be something less than 1,200,000 *l.*

1228. That is founded upon the hypothesis that the sugar duty would increase at the same rate that the duty upon tea was reduced?—It is founded upon the hypothesis deduced from facts, that the more tea is used the more sugar is used; that for every pound of tea that is used, there is so much sugar consumed.

1229. And also upon the assumption that there is no increase of price in sugar, which might arise from other causes?—It might, but it is scarcely possible under existing regulations.

1230. You do not think it is possible that sugar can increase in price?—No; my data were taken, when the price of sugar was higher than it is at present, eight months ago; the price of sugar was then 51 *s.*, whilst it is now 47 *s.*

1231. But if the price of sugar increased, it would diminish the addition to the revenue which you contemplate from the increased consumption of sugar?—Yes; the revenue derived from sugar would also decrease, inasmuch as I have estimated the duty on sugar at 21 *s.*, which is the present duty, and it will be reduced in August some 1 *s.* 4 *d.* a cwt.

1232. Supposing the revenue to lose considerably by this proposed reduction of duty on tea, you have not turned your attention as to how the revenue is to be replaced by other taxation, have you?—I confess I thought that rather wide of the subject touching which I have appeared before the Committee to-day.

1233. *Chairman.*] You wish to speak principally on the mercantile part of the question?—Yes.

1234. What do you think of the advisableness of substituting an *ad valorem* duty for a fixed duty?—I think it unadvisable, simply because it is impracticable with justice to the revenue, and with justice to the importer. The imposition of an *ad valorem* duty upon an article like tea would be always open to fraud on the part of the importer, or to injustice on the part of the Government officer.

1235. There have been two modes of collecting an *ad valorem* duty suggested to this Committee, one by fixed public auctions, as in the case of the East India Company, the other by allowing the importer to fix the value himself, and then to allow the custom-house officer, on behalf of the revenue, if he thought they were undervalued, to take the goods at that price, giving the importer five per cent. in addition; will you take each of those two cases, and state

state how far you think either would be practicable, and whether there is any other course which you think could be adopted?—In regard to a compulsory sale by public auction, for that it must be, if you are to ascertain the value of the goods in that way, it appears to me to be very objectionable; you fetter the merchant by compelling him to sell his goods by public auction; then if you do so compel him, he will have to sell those goods always duty paid to the consumer, consequently it will be his duty to obtain an entry for those goods at the lowest possible rate of duty.

1236. Supposing the sale price to regulate the duty, how would that operate?—It being the merchant's interest to obtain entry for his goods at the lowest rate of duty, he would be compelled to adopt measures which would most likely obtain an entry for his goods at a low rate of duty; consequently, in self-defence, he would be compelled to have recourse to every mode in his power to beat the Government, and to depreciate apparently the value of his goods, and so to pay the duty on them at the lowest possible rate.

1237. Dr. *Bowring.*] Would the power of seizure for a false declaration give any adequate protection to the revenue?—That is assuming that the merchant is to declare the value of his goods. I doubt very much with regard to the power of seizure. It would certainly to some extent protect the revenue.

1238. *Chairman.*] Would there not be a very great deal of difficulty in discriminating the quality of tea, so as to detect a false declaration?—At the present time I have frequently known valuations of tea to differ to the extent of 10, 15, or 20 per cent. on the same tea. Different brokers will make a difference of 30 to 40 per cent. upon the value of the same tea.

1239. Mr. *Hawes.*] All men of undoubted character?—All men of high character, and all men expecting to have the tea to sell.

1240. Mr. *Spooner.*] Would not that make it impossible to act upon a seizure upon the ground of a false declaration?—Impossible, without the grossest injustice.

1241. That seizure would afford no remedy to the evil of an *ad valorem* duty?—It would increase the evil.

1242. *Chairman.*] If the trade could not discriminate, much less could the custom-house officers?—Certainly.

1243. Dr. *Bowring.*] The power to seize upon adding 10 per cent. to the value, is one practised under the present custom-house regulations?—It is practised in small articles, in articles of *vertu* and articles of minor import, clocks and watches, and things of that kind; but the principle of an *ad valorem* duty has not within my experience ever been applied to any great article of import, except tea, when it was imported by the East India Company.

1244. Wherever this principle of an *ad valorem* duty is applied, does it not lead to great controversy with the custom-house officers?—I cannot better illustrate that than by the case of sugar. You have at present a rated scale with regard to sugar. You have in the last nine months had a very remarkably small revenue from that *ad valorem* duty, but there have been stoppages in sugar to the extent of a quarter of a million of pounds in nine months, detentions innumerable, and delay and vexation, harassing to the importer of sugar, such as certainly should not obtain in a mercantile country.

1245. Viscount *Jocelyn.*] Has not the same sugar been imported into Liverpool and into London under different characters?—Precisely the same sugar in several instances have paid different rates of duty.

1246. Dr. *Bowring.*] Is not it the necessary effect of an *ad valorem* duty that every art is practised to get in the best article at the lowest duty?—The effect of an *ad valorem* duty is generally the reverse of that of a fixed duty. A fixed duty generally gives you the best article at the rate required for the revenue.

1247. Viscount *Jocelyn.*] You were present when Sir George Larpent was examined?—I was.

1248. Do you recollect this question being put to him, "Are you aware of a case in which sugar, which formed part of the same original consignment, was sent in two vessels, one of which unloaded in Liverpool, and the other unloaded in London, and a different rate of duty was charged upon the same sugar in the two ports"?—Yes.

1249. Do you know anything as regards that particular transaction?—I have several similar cases before me at the present time between Liverpool and London,

don, four or five ships; and between Newcastle and London, where the same sugar, made by the same manufacturer, was consigned to three different ports, and paid a different duty.

1250. If that difficulty arises in sugar, would it not be more likely to arise in tea, the discrimination between different kinds of tea being more difficult than between different kinds of sugar?—Far more.

1251. *Chairman.*] Do not you think that it would be possible, by forcing all tea through public auctions, as was done by the East India Company, and then imposing a duty in proportion to the selling price of the tea, to levy an *ad valorem* duty?—That assumes a compulsory sale by public auction; that would be practicable in case you compelled all the tea to come to one port, but it would operate unfairly and unjustly if you had more than one port; but even then I do not think the Government could protect itself. I believe there would be continual collusion between the importers in order to depress the price for the moment, to obtain entry for their goods at a low rate; it would be so clearly their interest that the mercantile houses here would be compelled to do that.

1252. Would such a system be favourable or unfavourable to commerce?—I think it would be exceedingly unfavourable to commerce; I think it would exceedingly damage the present high character of our Indian houses, for they would be obliged to resort to this collusion.

1253. Dr. *Bowring.*] What would be the effect upon the revenue?—It would be extremely prejudicial, in my belief, to the revenue; I should be very loth to say that you would not lose more than 1,000,000 *l.* per annum, if you resorted to an *ad valorem* duty.

1254. *Chairman.*] Do you agree with those witnesses who say that it would be injurious as affecting sales by private contract?—The tea would be sold by private contract, and the merchant would employ some third party to buy in his tea, and you could never follow it; it would be understood that no one would buy at the sale, and the Government would be the loser by the tea being sold at 10*d.* a pound when it was worth 1*s.* 4*d.* The wholesale buyers would not buy at the public sale; they would say, "Make the best bargain that you can with the Government, and then come to us."

1255. What is the result of your experience as to what would be the effect of a discriminating duty upon different qualities of tea, instead of an *ad valorem* duty?—It would be, I suppose, the very carefully prepared scale that was proposed in 1834, and which proved to be so entire a failure, that it was abandoned in 1836. I can conceive no better scale than that was.

1256. You do not think that a discrimination between green and black teas would succeed?—I think not, inasmuch as you have it in evidence that a great deal of tea which we used to have as green tea, is now sent home as black tea. I know from my own personal knowledge that a great deal of tea which used to come as green tea is now black tea.

1257. The Chinese appear to have the facility of converting the raw material into an article adapted to this country, to an unlimited extent?—Yes, their ingenuity in doing it is wonderful.

1258. You arrive, then, at the conclusion that a fixed duty is the best in a mercantile point of view?—In a mercantile point of view, and in reference to the revenue also.

1259. Dr. *Bowring.*] Which do you think operates most beneficially upon the quality of the tea imported, a fixed duty or an *ad valorem* duty?—I believe that a fixed duty does.

1260. *Chairman.*] You think it best for the consumer as well as for the merchant and importer too?—I think it the best in every point of view to have a fixed duty. A former question referred to another plan of compelling the importer to put a value upon the tea, and to let the Government take it at five per cent. That would be a compulsory sale. The merchant would bring his goods in, and there would be a large loss upon them; he does not want to sell his goods for five per cent. above that, as he would probably have 30 per cent. loss still to bear. It would operate very prejudicially to the public, and it would introduce so much uncertainty into the trade as would tend materially to impede the import of tea.

1261. Mr. *Spooner.*] You stated that you conceived that up to a certain time, although the exporters of our manufactures have incurred a loss upon the

the imports, they did not incur any loss upon their exports; and afterwards, when a question was put to you respecting the barter trade, you said that had the goods exported been paid for in silver, and not in goods, you still thought that they would have made a profit by them. Now if it was the case that they could have sold their goods at a profit, being paid in silver, what induced them to take tea in return for those goods, which, when it came to this country, involved a loss?—The reply which I gave was qualified in reference to their paying in silver; I stated that because they cannot get silver from the Chinese they must take tea in barter. The opium takes all the silver out of China; it goes to India.

1262. If they had realized their goods in silver, it must have been at a very considerably reduced rate, and at such a rate as would have involved a loss?—That I apprehend to be the result.

1263. *Chairman.*] Are you of opinion that one of the inconveniences of the barter trade is the difficulty of fixing the relative value of the article given in exchange?—I do not hear from China that they find any great difficulty in that.

1264. Mr. *Matheson.*] Can you, from the monthly reports of the brokers, furnish the Committee with a statement of the monthly clearances of tea for any given period, along with the prices, in order that in place of having an hypothetical or estimated calculation of the consumption, with the prices for the whole year, we may have the detail of it month by month?—I thought it more in accordance with the convenience of the Committee to give them the condensed result; but I have all the details at home, worked out month by month, and therefore it will not be the slightest trouble to give it for as many years as the Committee require it. I thought that the statement I have produced would show the thing more clearly than being monthly; but if it is the pleasure of the Committee, I will hand it in for the last two years.

1265. Will you have the goodness to take it for a year of short consumption and a year of large consumption?—I will take care that that shall be done. I will take a year of the war, when there was only 31,000,000 lbs.

1266. Viscount *Sandon.*] Is there any check upon the adulteration of tea now?—None whatever; no more than there is upon sugar.

1267. Any person may sell what tea he likes?—Yes. From considerable experience, the general impression in my mind is, that there is very little adulteration.

1268. Is the Excise survey now abolished?—Yes; but the Excise retain a nominal power of survey still.

1269. Mr. *Matheson.*] Is it not the case, that shortly after the cessation of the East India Company's monopoly, some tea was brought home from Singapore, which was declared to be spurious, and for that reason was not permitted to be sold?—I have a faint recollection of something of that kind; but I have no distinct recollection of the subject.

1270. Mr. *Beckett.*] In the year 1839 the return of the price is 1 *s.* 7 *d.*; in the year 1840 it is 2 *s.* 4 *d.*; can you explain how that advance in price took place?—That was caused by the war with China, and the consequent short supply of tea, and the dread that we should get no more tea from China; that the Chinese would carry out their fulminations, and cut off the supply for ever; and many people were anxious to lay in a large stock.

1271. Mr. *J. A. Smith.*] Do not you think that there is a very considerable adulteration in tea sold in country villages?—I have made inquiries upon this subject from wholesale dealers in the country (who I am sure would not themselves sell adulterated teas), whether from what they see in going into small villages, it is their belief that there is much adulteration, and they say not; that they think there is very little adulteration. We have only means of collecting information from parties with whom we transact business.

1272. Dr. *Bowring.*] Would not the lowering the value of tea furnish the best security against adulteration?—Most unquestionably; that is the natural effect.

*Alfred Wilkinson*, Esq. called in; and Examined.

*A. Wilkinson*, Esq.
27 April 1847.

1273. *Chairman.*] WHAT is your pursuit?—I am a Merchant, and Agent at Canton, in China.

1274. Have you recently returned from China?—I left on the 31st January last.

1275. How long had you been in China?—From early in 1835.

1276. In what part of China have you been?—At Canton until the middle of last year, when I went up to the north; to Shang-hai and the other ports opened by treaty.

1277. Did you visit all the ports?—All but Ningpo.

1278. What is the firm of your house?—Bell & Company.

1279. What has been the recent position of the trade?—I can only answer as to Canton; it has been unsatisfactory in a mercantile point of view; it has been unprofitable.

1280. Has it been unprofitable to the importer and exporter alike?—I think it has; but I attribute its unsatisfactory state rather to over-trading than anything else, and have no doubt that trade will recover itself. I think that, in the first instance, we formed too high an estimate of the capabilities of the Chinese to purchase our goods, forgetting that the port of Canton had been the port of supply for the whole of China, and that those parts of the kingdom which were in proximity to the new ports would take their supplies from those ports, instead of from Canton, which has actually been the case.

1281. From your experience, what is your opinion as to the capacity of the Chinese to supply us with a more abundant quantity of tea?—I think there is no doubt that they can supply us to any extent that we may require. I speak from conversations with the merchants who deal with foreigners. Past experience has proved that we have never had a deficient supply; and this, notwithstanding the teamen, or proprietors, have at various times lost very large sums of money through the failures of native merchants who act as middlemen between them and foreigners, which shows the readiness of the natives to engage in the trade.

1282. As the demand has increased, the supply has followed the demand?—Yes.

1283. Viscount *Sandon.*] Without much increase of price?—The prices have been entirely dependent upon the supply and demand; we have bought teas, and other people have bought teas, both lower and higher than the Company did.

1284. Mr. *J. A. Smith.*] Has there ever been any season in which the whole stock at Canton has been exhausted?—I think not, of teas suitable for the English market; perhaps during the war we were nearest to that point.

1285. Are you of opinion that the tea used for the English market is all of the same quality, only undergoing some process of preparation?—Not of the same quality; it is the produce of the same plant.

1286. Dr. *Bowring.*] Are there any means of ascertaining the amount of the stock of tea held at Canton?—There are no means to be relied upon. There are tea brokers, but the information supplied by them could not be trusted. There are no official statements similar to our dock returns.

1287. Viscount *Sandon.*] When you have asked for a quantity of tea, have you ever been told to wait till a fresh supply came in?—No, I have not.

1288. Dr. *Bowring.*] Where are the warehouses located in Canton where the tea is collected for export?—On both banks of the river.

1289. Are they accessible to Europeans?—Yes.

1290. Do the merchants sometimes visit the warehouses in order to select the teas?—No; the system is for the native merchant to send you musters, and when you have effected the purchase, to bring the chops of tea to safe ground for you to examine it, and to see it shipped off.

1291. Mr. *J. A. Smith.*] You attribute the unsatisfactory state of the China trade to over-trading?—I think so.

1292. What do you mean by "over-trading"?—We have supplied more goods than the Chinese could take off at once, and sent home more tea than is required for the present consumption of this country. At the end of the year we find that stocks are accumulating.

1293. Do

1293. Do you mean that the quantities of export goods sent from this country have been greater than the desire of the Chinese to buy them?—Greater than their immediate requirements. An increased supply of long-cloths, from one and a quarter million pieces in 1843, to three millions of pieces in 1845, was more than commensurate with the demand; it was too rapid an increase. In the course of a few years I have no doubt the demand will be much larger than it now is.

1294. You are speaking principally of British manufactures?—Yes, cottons and woollens.

1295. Principally cottons?—Principally cottons.

1296. The woollen trade has been, taking a period of 10 years, a decreasing trade?—It requires to be separated. The woollen trade generally may be decreasing, but I think the woollen cloth trade is rather increasing, whilst that of long ells and camblets appear to be on the decrease.

1297. Taking woollens as a whole, you would probably say that the trade has been decreasing?—Without reference I should not like to say. I was informed that my evidence was required merely with regard to the possible future supply of tea, and have therefore not prepared myself for examination on other points.

1298. With regard to cottons, do you believe that there is at present any other limit to the extent to which that trade can be carried in China, than the power of persons to buy?—I think not, as the manufacture is suitable to the wants of the bulk of the population.

1299. Viscount *Sandon*.] Do you think that if we took more tea they would take more of our manufactures?—I do not think the two go together; that is, their taking our manufactures merely because we take their tea.

1300. Viscount *Jocelyn*.] Do you think it is a growing trade?—I think the China trade is a growing trade; and it would certainly be satisfactory if we could find other articles of return than those now existing to make the balance of trade less of a specie payment; in the absence of such, an increased demand for tea would be of great service, and this would follow a reduction in the duty charged on the article in this country, by increasing its consumption.

1301. Viscount *Sandon*.] Do you think that if we took more produce from the Chinese, they would as a matter of course take any proportionate extent of manufactures that we sent out to them?—I do not think they go together; I think that the demand for our goods is an increasing trade.

1302. *Chairman*.] Has the sale of our manufactured goods increased in China within your experience?—Considerably; and it goes on increasing.

1303. Have you any reason to suppose that it would not go on increasing, particularly if greater facilities were given to it by taking more of their produce in return?—No, certainly not; I think it would increase considerably.

1304. Viscount *Jocelyn*.] But you think that the present state of the market is owing to an over-supply of British manufactures?—The present state of the market is owing to an over-supply of British manufacture. When I say the present, I mean when I left China. The supplies were being curtailed then.

1305. Mr. *J. A. Smith*.] If the demand for tea here was larger, you do not think that it would increase the sale of cotton goods?—I do not think that the sale of the one article should influence much the purchase of the other.

1306. Not when it is a case of barter?—I do not understand the barter trade as many gentlemen with whom I have conversed on China affairs appear to do.

1307. *Chairman*.] Will you explain how you understand the barter?—The barter that has been in China lately has been from over-supplies of certain kinds of goods. It is of very little use one merchant attempting to sell such goods for cash, except at a very disproportionate price, when his neighbour will consent to take merchandize.

1308. Dr. *Bowring*.] Would not increased facilities either here or there tend to the extension of the demand?—Yes, it would certainly. The greater the value of produce you can take from the Chinese, the greater inducement for them to take goods from you in return, provided these be suitable for their wants. But I do not see how you can put one particular article against another; for instance, cotton manufactures against tea.

1309. Would it be possible that there should be a greatly augmented demand

*A. Wilkinson*, Esq.

27 April 1847.

for tea in this market without creating the same relative demand for British produce in China?—Perhaps not.

1310. Mr. *Harcourt.*] Was the diminished supply of tea at Canton during the war caused by the smaller quantity of British manufactures that went there to pay for it?—I should think it was caused by the unsettled times.

1311. Because they did not anticipate a sale?—Yes.

1312. You do not mean that the production was less at that time?—I do not know what the production then was, whether larger or smaller than usual.

1313. Dr. *Bowring.*] Did not the demand for British goods at Shang-hai grow out of the circumstance of our going to Shang-hai to purchase tea?—Rather to our going there to trade generally, not merely as purchasers of tea, for the earliest operations in British goods at that port included large payments in silver. Shang-hai is also the chief place of export of silk, the value of which has hitherto exceeded that of tea.

1314. Before that there was nothing but indirect trade?—Previous to the war all supplies for the north were sent vîa Canton. During the war, and before the opening of the ports of Ningpo and Shang-hai, a considerable trade in British manufactures was transacted at Chusan, where the goods found their way to the mainland.

1315. *Chairman.*] How long has the barter system prevailed in our trade with China?—It has been carried to a greater extent the last three years.

1316. Will you give the Committee an account of a barter transaction; will you explain the details of it?—You deliver your musters or your samples of manufactured goods to the native merchant, to get a valuation for them.

1317. Mr. *Brown.*] A money value?—You name a money price, but it is not obtainable in money.

1318. Viscount *Sandon.*] Will you just suppose yourself to be selling a thousand pieces of cotton; do you say so much a piece?—Yes; so many dollars a piece.

1319. Having done that, you then agree upon the number of dollars to be taken; but they are to be taken in produce?—Yes.

1320. How do you realize that?—He sends you a muster of Chinese produce in return, and you agree upon the price, and then you balance the one against the other.

1321. That must go on contemporaneously?—Almost; if the man is a safe man, you may delay your selection of produce for a short time.

1322. Does he take away the goods before the produce is delivered?—The goods are generally stored with the native merchant with whom the barter is concluded, and are considered to be at his disposal as soon as the sale is concluded. We have hitherto considered all goods placed in the warehouses of native merchants as quite safe until sold, but, by the last mail, accounts were received of a quantity of goods thus placed having been feloniously removed, which will render it necessary to adopt other measures in future.

1323. Mr. *J. A. Smith.*] Do you ever open two accounts, one for barter, and the other for cash, with the same individual?—No.

1324. Mr *Matheson.*] Supposing there was a stipulation made about taking the price of the goods in money from the Chinaman, if you insisted upon getting money, would you not run a great risk of getting nothing at all?—A very great risk as regards the generality of native merchants now carrying on trade in Canton.

1325. You take goods because you cannot get money?—We cannot get money. We do not like to run the risk of the failure of the buyer.

1326. Mr. *Spooner.*] You said before that barter was occasioned by over-supply; will you explain how you reconcile that with the last answer which you have given?—The over-supply of some goods causes us to sell to people who are less trustworthy of credit, but with whom we are willing to transact business in barter for produce.

1327. But you stated that money was not to be obtained?—When I say that money cannot be obtained, it is that we should not wish to trust the people. We can generally obtain money at a great disproportionate value.

1328. Mr. *J. A. Smith.*] What is the disproportion of value generally?—In Canton it varies from six up to 10 per cent.

1329. Not more than that?—Not in Canton. I do not speak of the trade at Shang-hai, because personally I know very little of it.

1330. Viscount

1330. Viscount *Jocelyn.*] May not another trade have interfered with it, and have raised the value of money in the market?—I do not know.

1331. Do not you think that the opium trade may have interfered with the value of money in the market?—I think not.

1332. *Chairman.*] You stated that you receive certain musters of tea, and that you send to the Chinaman musters of the articles which you give in exchange, and you impose upon those musters a certain price; then, at the time you come to give those articles in exchange, might not there have been an alteration in the value of the tea, which might affect the nature of the transaction?—No, it would not affect the nature of the transaction, because the person from whom we purchased may not have purchased his tea till the altered value of the article.

1333. What are the principal inconveniences of the barter system?—Being forced to take goods sometimes that we do not require.

1334. Mr. *Matheson.*] Is not the course of the barter trade this, that you sell your British manufactures to the Chinese merchant upon a sort of understanding that if he deals with you, you are to deal with him; and there is a running account kept between you, in which upon the one side are stated the sales which you make to him, and upon the other side are stated the sales which he makes to you, and you take goods from him because you find the utmost possible difficulty in getting money?—Yes.

1335. Viscount *Jocelyn.*] How is opium paid for in China?—In cash chiefly, but latterly goods have been taken in exchange.

1336. To any extent?—I do not do much in opium, and therefore cannot say to what extent. I have taken both silver and goods in payment for opium.

1337. Is not it known that the general payment for opium in China is silver?—It has been carried on hitherto in silver, but latterly the trade has somewhat changed.

1338. Surely that must have an effect on the value of silver in China?—We do not know what the capabilities of China are for procuring silver; we know the Chinese bring it to us; and if they want anything that money only will procure, money is forthcoming.

1339. Mr. *J. A. Smith.*] What was the premium on pure sycee when you left China?—I think it was about nine or ten per cent.

1340. How long have you been in China?—I have been there since 1835.

1341. What was the price of pure sycee when you went there?—I cannot state from memory; I believe at a premium. It has since then been at a considerable discount, which showed a peculiar state of things, for the Chinese could give no particular reason for the depreciation. I may mention as a singular fact, connected with money operations at Canton, that I have exchanged one quantity of silver for another, intrinsically of the same value, and have benefited above 20 per cent. by the operation. I have sold Carolus dollars (Spanish) at a premium of 14 to 15 per cent., and have bought Mexican and South America republican dollars at a discount of six or seven per cent. compared with the Spanish dollar current at Canton.

1342. Mr. *Harcourt.*] Measured how?—Measured by the weight.

1343. Mr. *J. A. Smith.*] You do not recollect what the price of silver was when you went to China?—No; I think sycee silver was at six or seven per cent. premium.

1344. No great difference between that price and the price now prevailing?—Two or three per cent. only.

1345. What was the quantity of opium imported into China, when you went there in 1835?—I cannot say from memory; I did not expect to be examined on this and similar points.

1346. Dr. *Bowring.*] What is the alloy in sycee silver?—It varies from 94 to 98 touch; that is, 100 touch is pure silver; the alloy being, therefore, from two to six per cent.

1347. *Chairman.*] What is the supply of tea in your experience in the other ports of China besides Canton?—The supply from Shang-hai, I think, is rather less this year than last; but it may be increased, if the trade is favourable, to any quantity.

1348. What was the supply from Shang-hai last year?—I see, on referring to a memorandum, that since I left China the quantity has been increased.

*A. Wilkinson*, Esq.
27 April 1847.

Up to the 31st December last, it was 10,073,000 lbs. against 9,368,000 lbs. in the previous year. The greater part of the supply now sent to Canton, might, if required, be taken to Shang-hai; because, at one point, the route is common to both, namely, at the Poyang Lake.

1349. Would that be black tea?—Black and green tea; according to the evidence of Mr. Fortune, the botanist, the two kinds are produced from the same plant; this tea is produced about Shang-hai, which is about 31° north latitude, and as far south as Foochow, thus extending over an immense tract of country.

1350. Mr. *Harcourt.*] You say that the supply might be increased if the price were favourable; what do you mean by the price being favourable?—If it answered to the importers; if tea bore a better price from the increase of the consumption in England; if the price were higher.

1351. *Chairman.*] Have you been to Hong Kong?—Yes; but I have no establishment there. My business is at present entirely confined to Canton.

1352. Can you state anything with reference to the sales of land at Hong Kong?—I was at Macao at the time Captain Elliott advertised the land, and it was our intention to purchase land there for the purpose of building; my partner went over there for the purpose of bidding at the public sale; our ideas as to ground rent in consequence of Captain Elliott's notice were very moderate indeed. We thought that for a sea lot 50 or 60 dollars ground rent would be quite ample; but when it went up to the price that it did, we gave up all notion of having land there.

1353. Mr. *Moffatt.*] Did Captain Elliott's notice convey to you the impression that you were to buy that land freehold?—Or at a very moderate rent.

1354. Mr. *J. A. Smith.*] Has the country trade at Hong Kong increased or diminished in your experience?—It has diminished.

1355. To what do you attribute the diminution?—To the provincial city being so near; I think the same effect would have taken place at Chusan. If you take your supplies to the provincial city where all the native merchants are resident, you cannot expect them to come outside to buy of you.

1356. Then what made the trade in the first instance?—There was a moderate junk trade. That trade has been lost, I believe, through the ordinances of the Government at Hong Kong. But I have taken very little interest in Hong Kong affairs.

1357. *Chairman.*] You do not profess to know the details of those ordinances?—No, I have been almost entirely resident at Canton, and have paid but little attention to such ordinances as affected Hong Kong only.

1358. Sir *G. Staunton.*] Is it not in consequence of the supplemental treaty that the junk trade has discontinued?—It has been so represented in the public papers.

1359. Dr. *Bowring.*] In Canton itself are there any disabilities of which British merchants have cause to complain?—Personally there are. I think we are in very great danger at Canton from the populace.

1360. What would you suggest for the protection of the British?—As matters have gone on so long in their present state, I think the only efficient protection would be a force opposite the factories; an armed steamer, to be a place of refuge for us.

1361. Do you imagine that at the present moment British merchants at Canton are exposed to personal danger?—I consider that we are always in danger at Canton. Since January 1846, when the last portion of the treaty money was paid, we have always had our books and papers packed, ready for removal, in the event of any sudden outbreak.

1362. Is the position of British merchants less advantageous in that respect than that of Americans and other foreigners?—No; by the populace all foreigners are classed together; and by them, I have no doubt I should be just as much respected as Her Majesty's consul would be.

1363. Viscount *Jocelyn.*] Did any disturbance take place at Canton whilst you were there?—Yes, in July last.

1364. Do you recollect how that originated?—Exactly as it is represented in the letter to Lord Aberdeen by the Committee of Public Safety, to which my name was attached.

1365. Have you ever known any disturbance take place which originated through

through the merchants interfering unnecessarily with the natives?—No; I cannot remember any. If you would submit to insults in China which you would not submit to in England, perhaps some disturbances might be avoided.

1366. Dr. *Bowring.*] Do you speak of the riot with which Mr. Compton's case was connected?—Yes, for which Mr. Compton was fined, but for which the judge afterwards remitted the sentence on appeal. You will see, in the remarks of the judge, that he stated that he should have been surprised if any Englishman would have submitted to take a blow without returning it. For myself I should have endeavoured to return it.

1367. Will you state what occurred in Mr. Compton's case?—It is very ably stated in that Report which was sent to Lord Aberdeen, with the whole of the correspondence.

1368. Mr. *J. A. Smith.*] Are there any Chinese local regulations as to the mode of carrying on trade at Canton, of which you have to complain?—No, I do not think there are any to complain of.

1369. Mr. *Matheson.*] Or English regulations?—The English regulations, I think, we have to complain of. I think the consul acts too much the part of a revenue officer for the Chinese. The Americans, French, and other nations do not think it necessary to pursue this course.

1370. Dr. *Bowring.*] Then in this respect the position of the American or French merchants is better than that of the English?—This is a matter with which the Chinese have nothing to do.

1371. You were asked whether, under any circumstances, the English merchant is less advantageously placed than the American or other foreign merchants, and you were understood to say, no?—I think that there are unnecessary regulations at the British consulate at Canton. On the reporting of a ship I think it quite unnecessary that all the entries should be passed through the consulate, as they are now. Those are details which are a little troublesome. The American system is for the captain to deposit the register with the consul; no ship will sail away from port unless she obtains a register, and therefore the consul has good security for the behaviour of the captain and all on board. The English system is to deposit the papers, and then all applications connected with the import cargo or export cargo must be made through the consulate.

1372. Application to whom?—To the hoppo; to the Chinese. Everything must go to the consulate. It is an unnecessary proceeding. The Americans, through the linguists, go to the hoppo only.

1373. Do expenses in that case fall upon the British merchants, from which the Americans and other foreigners are free?—I think not.

1374. Mr. *Matheson.*] There are no fees to pay upon application to the consul?—In Canton not.

1375. Mr. *J. A. Smith.*] Have you anything to complain of in the way of piracy?—It is dangerous now to go backwards and forwards in the native boats; but that is for the Chinese to put down.

1376. Would not the presence of British steamers in the river be some protection to individuals and to property?—Certainly; I think the presence of a steamer at Canton is quite necessary for our protection. Captain Talbot, R. N. the senior commanding officer in China, expressed the same opinion in July last, when replying to a letter which the British merchants at Canton addressed to him on the subject.

1377. *Chairman.*] You mean that there should be a war steamer?—Yes.

1378. Sir *G. Staunton.*] You have stated that the lives and property, and the trade of British subjects at Canton, are not in a state of safety. What does that arise from?—It arises from the continual liability there is to riots and disturbances, and our want of protection.

1379. From the hostility of the people?—From the hostility of the people.

1380. *Chairman.*] You do not attribute it to any difference between the character of the people at Canton and at Shang-hai and the other ports?—They are represented to be of a more quarrelsome and fiery disposition than those of the north, and doubtless much of the ill feeling may be attributed to the

*A. Wilkinson*, Esq.

27 April 1847.

bad character given to foreigners by all Chinese officials for the past 200 years.

1381. Sir *G. Stauuton.*] But you do not impute it to any conduct of the government?—Certainly not; I think they are anxious to keep peace and quietness.

1382. In fact they do everything that is in their power, but the weakness of the government is such that they are not able to protect British residents?—They tell us so themselves. Sir John Davis told us, in May last, that we had had permission to enter the city when the populace was more under the control of the local government.

1383. Viscount *Jocelyn.*] Is it your belief that the populace have never been unnecessarily irritated by the conduct of the merchants?—From all I have seen I think not.

1384. Sir *G. Staunton.*] Therefore you do not consider that in that respect the treaty of Nankin has not been fulfilled by the Chinese government?—I should hardly say that. Weakness on the part of the Chinese government should not be pleaded for the treaty not being fulfilled.

1385. But it is not in the power of the government to enforce it?—It is not in their power.

1386. Do you think that anything could have been done on the part of the British Government to ameliorate your condition at Canton?—I think that if the people of Canton had received due chastisement in 1841, that we should now be living in Canton as quietly as British subjects live in the north, and have the same privileges.

1387. What means of protection can be afforded now?—British protection is what we require now, and then let events take their course.

1388–9. A vessel of war has been stationed at Canton?—When I left there was none; but by the last mail (27th February) I was happy to learn that three vessels of war had been sent from Hong Kong for the protection of the British in Canton, in case of disturbances during the Chinese New Year holydays.

1390. Can you suggest any other measure for the protection of the British residents at Canton?—No, I have no other measure to suggest. I always lived in apprehension of danger, and never should be surprised to hear of an outbreak having taken place.

1391. It has been stated in a petition addressed to the House of Commons, that British subjects in China do not enjoy the privileges to which they are entitled by the treaty; in what respect is that so?—They are confined within a small space at Canton.

1392. Not by the government?—The fact is, that we are so confined, and it matters not by whom. I have been in Canton since 1835, and seldom have been away any distance from the factories, because I was desirous of not getting into trouble. The space now occupied by foreigners is, I believe, not larger than was appropriated years ago to the supercargoes of vessels of all nations who remained in Canton temporarily, whilst their vessels were loading. Now the foreign community is a large one, and constantly resident in Canton.

1393. Dr. *Bowring.*] Have you yourself been in the city?—I have never been there, except during the large fire in 1836, when I went in at one gate and out at another; I should not attempt it, because I know that it would lead to hostility.

1394. Sir *G. Staunton.*] Does not the difference in the situation of the English at Canton and at Shang-hai entirely arise from the difference in the character of the natives, and in their disposition towards you?—Coupled with the want of their having received chastisement from past events. The Chinese, I believe, say that the Canton people are rather a more troublesome set than those in the north. The government, I believe, at Canton, are anxious for quiet. War is an expensive thing for them.

1395. The government have granted permission to British subjects, and other foreigners, to go into the city of Canton?—Yes; there was an edict to that effect in January last, but it is quite inoperative.

1396. In order to enforce that privilege, the surrender of Chusan was delayed some months?—Yes; so it is stated by Sir John Davis.

1397. You believe that it is from the want of power on the part of the Chinese

Chinese government, that British subjects are not able to go freely into the city of Canton; that the Chinese government has not the power of giving you efficient protection?—Yes, I think so.

1398. *Chairman.*] In fact the result of your experience is, that the government of China is a feeble government?—It must be so.

1399. Mr. *Beckett.*] Have you reason to think that the Americans, or any other foreigners there, receive more favour than British residents?—I think not; I think all foreigners are on a par at Canton.

1400. Mr. *Matheson.*] With regard to the power of the Chinese over their own subjects, was it not the case that in the spring of the year 1839 they showed an extraordinary power over their own subjects?—Yes.

1401. Do you remember what occurred then?—Yes; but there has been a war since, and the officials have lost power; besides, it should be remembered that they were then acting against foreigners, not with them.

1402. *Chairman.*] You think that their power has diminished since the war?—It has.

1403. Why has it diminished since the war?—They have found that the fulminations of the Government are of no effect.

1404. Dr. *Bowring.*] As regards the internal police of the city of Canton not affecting strangers, have you found the same inefficiency to exist on the part of the authorities?—Latterly very much so. In the immediate vicinity of the city a great deal of piracy now exists.

1405. Mr. *J. A. Smith.*] Where?—On the river that goes past Canton; so much so, that what is called the Inner Passage at Macao is not safe.

1406. *Chairman.*] And on the sea between Canton and Shang-hai?—By the last accounts it appears so; the entrance to the river certainly.

1407. If the defeat of the Chinese had occasioned the disrespect with which the English are treated at Canton, would not the same cause produce the same effect in other parts of China where the English are similarly known?—I do not think that the Canton people imagine themselves to have been defeated.

1408. You said that they despised the government, because they felt the weakness of the government at Canton since the war?—Yes; but they do not consider that Canton was taken.

1409. Dr. *Bowring.*] Is not the general character of the Chinese people one very submissive to authority?—I cannot answer that.

1410. *Chairman.*] Are there not in China, according to the Parliamentary Papers, piracies at sea and robberies on land?—Yes, and similar information is to be obtained by a perusal of the public journals of Hong Kong.

1411. Dr. *Bowring.*] Do you believe that the Chinese government have exercised the authority they possess in the city of Canton for the protection of British subjects; have not they greater powers of control than they have hitherto employed?—I think that since the war the Chinese officials at Canton have endeavoured to protect us, because it has been their interest to do so.

1412. Inasmuch as the Chinese government bind themselves by the treaty to protect British subjects, do not you think that more might have been done to give effect to the stipulations of that treaty?—I cannot say.

1413. Mr. *Matheson.*] Is it not the case that there is a strong barrier at the end of each of the streets that you have seen in Canton?—Yes.

1414. And those barriers are sometimes closed?—Yes.

1415. So that in point of fact, on occasions of popular uproar against foreigners, by timely closing those barriers they could very much repress the uproar?—Those uproars take place quite unexpectedly, before they are prepared.

1416. But the existence of those barriers is a very strong engine for repressing tumults, if they were turned to the best account?—Certainly.

1417. *Chairman.*] Does not the existence of those barriers imply a very insecure state of persons and property in the town?—I fancy that it is the system in all Chinese towns. I think it is the same at Shang-hai.

1418. Mr. *Matheson.*] On occasions of uproar, is it not the case that the reason of their gaining a head has been the tardiness of the police in coming forward, and that when a sufficient force has come forward, the uproar has been quelled?—It has been so hitherto, a Chinese force has quelled all riots; but if you had

*A. Wilkinson*, Esq.

27 April 1847.

asked any foreigners what they expected would be the result of the last disturbance, I think they would have said that it would have continued notwithstanding the presence of the Chinese force. It was fortunately quelled after the loss of 15 lives.

1419. The question is whether the inefficiency of the Chinese in repressing tumult arises from want of will or from want of power. Some of your answers would lead the Committee to believe that it is partly from want of will, from want of timely interference; is that your opinion?—Every disturbance must be considered separately. Some, not having a political bearing, might possibly have been quelled immediately, had timely interference been offered. And with regard to the will and power of the Chinese to suppress disturbances, it may be argued that as all riots have hitherto been quelled by them, and we still are living and carrying on trade in Canton, such power exists; however, I think I may safely say that there is a general feeling amongst foreigners when a serious riot is going on, that the Chinese officials may not have the power to put it down, and all are anxious for the result; all then are desirous for assistance from without, and requisitions in such cases are sent off to Whampoa and Hong Kong to that effect. A man of war stationed off the factories would be able to render immediate assistance and relieve us from much anxiety.

1420. Dr. *Bowring.*] Would not an early and prompt intervention of the Chinese authorities put the riots down at Canton?—Yes, in most cases probably it would.

1421. Then you attribute the ascendancy of this tumultuous crowd to the inertness and indolence of the Chinese authorities?—When a Chinese riot takes place, you never know that it is to be of a serious character till it has got ahead.

1422. Sir *G. Staunton.*] You have been asked whether it was the character of the Chinese to be submissive to their rulers. Does not that apply to the Chinese in the northern parts, but not at all to the southern parts?—The evidence of the missionaries is to that effect, that they are more peaceable in the north than in the south.

1423. Have there not been statements of their setting their government at defiance in Canton, and acting a very insubordinate part?—I have seen notices in the public journals to that effect; and in January 1846 the house of the Quongchow-foo was burned by a riotous mob, owing to the unpopularity of that officer.

1424. Therefore you would not say that the character of the people of Canton was, to be submissive to their government?—I cannot give an opinion as to the general character of the people towards its government. In the instance quoted they certainly could not be called submissive.

1425. Dr. *Bowring.*] In cases where there is an immediate interference of the Chinese authorities, does not punishment very promply follow crime?—That I cannot say. The only instance I know, was when they attempted to fire the factories, in 1843, when the Chinese were placed in the immediate vicinity of the factories, and were starved to death. I think it was a lingering death; they gradually died away under the punishment of their own authorities.

1426. Mr. *J. A. Smith.*] How far back do you date the beginning of the unfavourable state of the trade between China and England?—I alluded more particularly to the present state of the trade, the trade of the last two years.

1427. During that period have both the imports and the exports to China been unsatisfactory in their results?—Yes, generally. I should say the results of both have been unsatisfactory.

1428. Is there any additional export from China which you think likely to come into demand here?—None that I am aware of; at least none of any consequence. China grass, vegetable tallow, and a few minor articles have been shipped, but I believe have not answered. We were looking to export raw sugar to England, but I expect that we shall not be able to compete with slave grown sugar when the duties on all sorts are assimilated, and that sort will no doubt rule the prices of the others. Sugar has always been an article of export from China to the East Indies.

1429. Do you know anything about China grass?—Very little.

1430. Mr. *Moffatt.*] Are you aware what quantity of sugar has been sent home from China?—No; I think about 4,000 or 5,000 tons, not more. *A. Wilkinson,* Esq.

1431. When was that?—All shipments ceased by October or November last. 27 April 1847.

Mr. *Thomas White,* called in; and Examined.

1432. *Chairman.*] YOU are in the tea trade at Hull?—I am. Mr. *T. White.*

1433. You are a Tea and Sugar Broker?—Yes; formerly a wholesale and retail grocer at Hull.

1434. What are principal points to which you can speak of your own experience?—Merely to show, from the general consumption per head, that if the duty on tea were lower, there would be a material increase of consumption; for that purpose I have compiled a paper showing the small quantity per head which the present consumption gives to each individual.

[*The same was delivered in, and is as follows:*]

(A.)

A STATEMENT of the Revenue, Rate of Duty, Prices, and Consumption of TEA, as compared with the Population, at each Decimal Period, from 1801 to 1846.

| YEAR. | Population of the United Kingdom. | Quantity of Tea entered for Home Use. | Net Amount of Duty paid upon Tea. | Average Rate of Duty per Pound. | Average Price per Pound, Duty Paid. | Average Consumption per Head per Annum. | Average Consumption per Head per Week. |
|---|---|---|---|---|---|---|---|
| | | *Lbs.* | £. | *s. d.* | *s. d.* | *Lbs. oz. dr.* | *Lbs. oz. dwt.* |
| 1801 - - | 16,338,102 | 23,737,554 | 1,423,660 | 1 2¼ | 4 4½ * | 1 7 3 | 0 0 7·7 |
| 1811 - - | 18,547,720 | 24,220,193 | 3,752,110 | 3 1 | 6 4 | 1 4 14 | 0 0 6·22 |
| 1821 - - | 21,193,458 | 26,386,873 | 3,707,270 | 2 9¾ | 5 8 | 1 0 15 | 0 0 5·11 |
| 1831 - - | 24,271,763 | 29,997,100 | 3,344,918 | 2 2¾ | 4 3 | 1 3 12 | 0 0 6·04 |
| 1841 - - | 26,710,910 | 36,675,667 | 3,973,668 | 2 2¼ | 4 4* | 1 5 15 | 0 0 6·39 |
| 1846 - - | 28,210,910* | 46,897,624 | 5,129,427 | 2 2¼ | 3 5* | 1 10 9 | 0 0 8·9 |

* Not from official documents.

Hull, 19 April 1847. *Thomas White.*

1435. What is the result of your observation as to the probable consumption of tea if there were a lower duty?—My opinion is, that in a few years, with a gradual reduction of duty, the consumption would be 3 lbs. per head. If a large reduction were made, of course it would come much more rapidly into consumption; but I think you would soon be capable of consuming 3 lbs. per head per annum.

1436. Can you give the Committee a comparative statement of the rate of duty, prices, and consumption of tea at different periods?—I have a statement of the consumption, the revenue, the average rate of duty per pound, and the price of tea from 1800 to 1846.

[*The same was delivered in, and is as follows:*]

A STATEMENT of CONSUMPTION, REVENUE, Average Rate of DUTY per Pound, and Price of TEA, from 1800 to 1846.

| YEAR. | Entered for Home Use. | RATE OF DUTY. | Average Duty per Pound. | Average Price Duty Paid. | REVENUE. | REMARKS. |
|---|---|---|---|---|---|---|
| | *Lbs.* | | *s.* *d.* | *s.* *d.* | £. | |
| 1800 | 23,284,868 | At or above 2*s.* 6*d.* per lb., 50 p' cent.; | 1 –½ | 4 4½ | 1,222,086 | |
| 1801 | 23,737,554 | under 2*s.* 6*d.* p' lb., | 1 2½ | „ | 1,423,660 | |
| 1802 | 24,725,020 | 20 per cent - - | 1 3¾ | 4 3¾ | 1,632,466 | |
| 1803 | 24,887,859 | Above 2*s.* 6*d.*, 95 per | 1 6¾ | 4 2½ | 1,929,613 | |
| 1804 | 21,839,026 | cent.; under 2*s.* 6*d.*, 65 per cent. - - | 2 4½ | 5 –½ | 2,599,788 | |
| 1805 | 24,293,092 | At or above 2*s.* 6*d.* | 2 8¾ | 5 10 | 3,336,523 | |
| 1806 | 22,966,496 | per lb., 95·26 per cent.; under 2*s.* 6*d.*, 65·26 - - - | 3 – | 5 11 | 3,446,670 | |
| 1807 | 22,794,441 | - - On all teas 96 per cent. from 1806. | 3 1 | 6 –½ | 3,520,173 | |
| 1808 | 24,566,700 | - - „ - - | 3 2 | 6 2½ | 3 905,295 | |
| 1809 | 24,260,797 | - - „ - - | 2 11½ | 5 9½ | 3,592,704 | |
| 1810 | 22,015,812 | - - „ - - | 3 3¾ | 6 6 | 3,647,737 | |
| 1811 | 24,220,193 | - - „ - - | 3 2¼ | 6 3 | 3,752,110 | |
| 1812 | 23,776,750 | - - „ - - | 3 2½ | 6 1 | 3,825,979 | |
| 1813 | 22,795,520 | - - „ - - | - - | no records. | | |
| 1814 | 22,611,166 | - - „ - - | 3 6 | 6 10½ | 3,958,054 | |
| 1815 | 25,841,121 | - - „ - - | 3 1½ | 6 2½ | 4,058,090 | |
| 1816 | 23,236,724 | - - „ - - | 3 9 | 7 4¼ | 4,362,496 | |
| 1817 | 23,963,971 | - - „ - - | 2 10¼ | 5 7½ | 3,431,363 | |
| 1818 | 26,229,608 | At and under 2*s.* per lb., 96 per cent.; | 2 11¼ | 5 9 | 3,872,693 | |
| 1819 | 25,869,965 | above 2*s.*, 100 per cent. - - - | 2 10¼ | 5 8 | 3,689,804 | |
| 1820 | 25,602,394 | - - „ - - | 2 9 | 5 5¾ | 3,527,191 | |
| 1821 | 26,386,873 | - - „ - - | 2 10 | 5 7¾ | 3,738,461 | |
| 1822 | 27,728,850 | - - „ - - | „ | „ | 3,945,591 | |
| 1823 | 27,132,180 | - - „ - - | „ | „ | 3,848,122 | |
| 1824 | 27,172,348 | - - „ - - | „ | „ | 3,865,476 | |
| 1825 | 28,719,673 | - - „ - - | 2 9¼ | 5 6¼ | 4,031,038 | |
| 1826 | 29,045,852 | - - „ - - | 2 9 | 5 5¾ | 3,738,042 | |
| 1827 | 29,931,178 | - - „ - - | 2 6 | 4 11¾ | 3,705,588 | |
| 1828 | 26,790,481 | - - „ - - | 2 5 | 4 9½ | 3,177,179 | |
| 1829 | 29,495,199 | - - „ - - | 2 3 | 4 5¾ | 3,321,722 | |
| 1830 | 30 047,077 | - - „ - - | 2 3 | 4 5½ | 3,387,097 | |
| 1831 | 30,648,348 | - - „ - - | 2 2 | 4 3½ | 3,344,918 | |
| 1832 | 31,548,407 | - - „ - - | 2 2¼ | 4 4½ | 3,509,835 | |
| 1833 | 31,829,620 | - - „ - - | 2 2 | 4 3½ | 3,444,102 | |
| 1834 | 34,969,651 | On Bohea, 1*s.* 6*d.*; Congou, 2*s.* 2*d.*; | 2 –¼ | 4 – | 3,589,361 | - East India Company's monopoly expired. |
| 1835 | 36,574,004 | and Souchong, Hyson, &c., 3*s.* per lb. | 2 1 | - - - | 3,832,427 | |
| 1836 | 49,142,236 | After July 1, all teas | 1 10½ | - - - | 4,674,535 | |
| 1837 | 30,625,206 | 2*s.* 1*d.* per lb. - | 2 1 | - - - | 3,223,840 | |
| 1838 | 32,331,593 | - - „ - - | „ | - - - | 3,362,035 | |
| 1839 | 35,127,287 | - - „ - - | „ | - - - | 3,658,803 | |
| 1840 | 32,262,905 | 2*s.* 2¼*d.* per lb. - | 2 2¼ | - - - | 3,473,964 | |
| 1841 | 36,675,667 | - - „ - - | „ | Supposed avrge., 4 4 | 3,978,198 | |
| 1842 | 37,355,911 | - - „ - - | „ | - - - | 4,088,957 | |
| 1843 | 40,293,393 | - - „ - - | „ | - - - | 4,407,642 | |
| 1844 | 41,369,351 | - - „ - - | „ | - - - | 4,524,772 | |
| 1845 | 44,195,321 | - - „ - - | „ | - - - | 4,833,862 | |
| 1846 | 46,728,208 | - - „ - - | „ | 3 5 | 5,110,897 | |

Hull, 26 April 1847.

*Thomas White.*

1437. What do you infer from that table with regard to the probable consumption of tea at a lower duty?—I see that Great Britain in 1801 consumed at the rate of 1 lb. 13½ oz. per head per annum, which was reduced by the high prices during the East India Company's monopoly to 1 lb. 1 oz., since which the prices of tea have been lower, and it is now about 1 lb. 10 oz. per head per annum. If the duty was still lower, I think the consumption would be greatly increased, inasmuch as there is a class of people, to my knowledge, that never use any tea at all, that is the farm servants.

1438. Are you well acquainted with that part of the population?—I am. I was born and brought up amongst farmers.

1439. What is your experience of their consumption of tea, both as to quantity and quality?—It is difficult to ascertain the quality, but the quantity of tea used in a farm-house, which is merely used by the master and mistress and children, will be about a quarter of a pound per week for the whole family, which family might perhaps consist of about five or six.

1440. The agricultural consumption is very much less than the consumption in manufacturing and commercial towns?—In all towns.

1441. And you apprehend that there might be, with a lower price, much increased consumption in the agricultural districts?—I do; I think tea would be brought into very much greater consumption amongst agriculturists.

1442. Mr. *Harcourt.*] When you speak of farm servants, do you speak of women servants or men servants?—I speak more particularly of men servants.

1443. Mr. *J. A. Smith.*] Do not women servants use tea?—Yes.

1444. But in these days, in the south of England, is not it very little the habit for men to be resident in the farm-house?—I cannot speak to the south; it is in the north.

1445. Do you know what, in your district, the allowance in a family for servants is per head?—When it is allowed in the more respectable families, it is about 2 oz. per week for each female servant.

1446. Mr. *Harcourt.*] Do not you imagine that the greatly increased consumption of coffee must interfere with the consumption of tea?—It has not done so up to the present time; it has not diminished the consumption at all.

1447. Has not it diminished the possible increase of consumption?—Possibly it may to a certain extent; but it does not appear, because they both go on increasing together.

1448. One has increased much more rapidly than the other; but the increase in the consumption of coffee per head in England has been enormous, while the consumption of tea has not?—Both have increased, but coffee has increased more rapidly, for the duty has been lowered more rapidly on coffee than on tea.

1449. Mr. *Moffatt.*] Has not the increase in the consumption of tea been fully equivalent, as compared with the depreciation of price, to the increased consumption of coffee as compared with the depreciation of price?—I think so.

1450. *Chairman.*] You seem to think that the portion of the community who are principally in want of an increased supply of tea are the agricultural part of the community?—Yes, and the poor generally.

1451. Do not they pay very dear for their tea in remote districts, and often get a very inferior article?—I do not think they do. They always get the best tea, if they can afford to do so.

1452. Mr. *Moffatt.*] Is not it your impression that the great mass of the people would use a great deal more tea if they could get it?—Most decidedly. When in the retail trade I have witnessed mechanics, &c., on a Saturday night, laying out a portion of their earnings in tea, say two ounces, and after making their other marketing, if any money left, they would come back and spend the last farthing in an ounce or half an ounce more tea, just as they could afford it.

1453. *Chairman.*] You have heard a great deal of evidence given about different modes of laying on the duty?—I paid a great deal of attention to that in 1834, when the Committee sat upon it. The duty on Bohea tea was then only 1*s.* 6*d.*, whilst upon Congou it was 2*s.* 1 *d.*, and upon the finer teas 3*s.* My practical knowledge leads me to believe that the low duty upon Bohea tea, instead of being a benefit to the poor, was actually an injury to them; because Bohea tea

Mr. *T. White.*

27 April 1847.

is not sold alone, it is an inferior kind of tea, that is made use of by the retailer to reduce the quality of other teas.

1454. What tea is it most economical to use?—I should say good Congou tea.

1455. And therefore you think that it is not politic to encourage the consumption of a lower article?—I think so. If you fix a lower duty for that kind of tea, you hold out a premium for the retailer to adulterate his better teas.

1456. What is your opinion as to an *ad valorem* duty?—It would not work at all.

1457. You are against a discriminating rate of duty?—Quite so.

1458. Then you come to the conclusion that a fixed duty is the best?—Most decidedly.

1459. Mr. *Harcourt.*] You have said that there would be a much larger consumption of tea by the agricultural classes, if the duty were reduced. Do not you think that there would be a much larger consumption of beer by the agricultural classes, if the duty on malt was reduced?—I do not think so, because I think they use a fair proportion of beer at present.

1460. Do you think that that is their opinion?—I could not speak to their opinion, I have not ascertained it.

1461. Mr. *J. A. Smith.*] Do you think that the indisposition of the trade to buy at public sales has increased?—Very much.

1462. To what do you attribute that?—I attribute it principally to this, that the price which every wholesale dealer has given for his teas is known, and when he goes round the country to sell they know the price that he has given, and they do not like to pay a remunerating profit upon it if they can help it.

1463. Have you marked in Yorkshire districts in which a taste for tea is spreading, where it did not exist 10 years ago?—No; only in the different kinds; for example, Twankey is going out of use, and Hyson is going out of use.

1464. What has taken their place?—Principally Congou tea. The consumption of Twankey tea has most materially fallen off in Yorkshire.

1465. Are there any districts where tea was little drunk 10 years ago, where there is an increasing consumption now?—I am not aware of any.

1466. Mr. *Moffatt.*] Is it your impression that there is a general increasing desire to consume tea amongst the lower classes?—Most decidedly.

1467. Mr. *J. A. Smith.*] There is a growing taste for it?—There is not a question about it.

1468. Have you marked any difference in the consumption of tea in times of distress and want of employment?—I think there is at times, but I am not competent to speak to that; I am not in a manufacturing district.

1469. Does not Hull, in some degree, supply Leeds?—It does. The merchants of Leeds, I think, import principally through Hull. Of course Hull does supply tea; but we have had very little importation of tea to the present time. With respect to the duty before the expiration of the East India Company's charter, the putting-up price was gradually lowered, whilst at the same time the revenue was kept up by the increased consumption. And speaking from the past, supposing the same thing to be done again, we may fairly presume that by lowering the duty we should have an increased consumption by the same rule. About eight years before the East India Company's monopoly expired, they gradually lowered their putting-up price. They had a putting-up price below which they would not sell, and the buyer going to the sale must pay that or more. Supposing it fetched 1 *d.* or 2 *d.* more, there was that additional duty upon it.

1470. Do you know whether the importers of tea, during the last two years, have been successful, or whether they have been losers by their transactions?—I have understood that they have been considerable losers.

1471. Do you know of any transactions of your own knowledge?—I cannot speak as to what it cost the merchants.

1472. Have you seen the invoices?—No, but I know what the prices have been; and they have sold Hyson teas 10 *d.* below that price, and Congous as much as 5 *d.* It has been represented to me as a losing trade.

1473. For how long?—For the last four years.

1474. Do not you believe, that if there was a reduction in the duty, the demand

demand for tea would produce some increase in the price, independently of the duty?—If there was not a sufficient supply it would; but as long as the market was well supplied, there would be no increase in the price of tea. Mr. *T. White.* 27 April 1847.

1475. Do you think that the increase in the demand would be such as to take off the stock?—I do.

1476. Have you turned your mind as to what extent it would increase the consumption?—I think it would go to 3 *l.* 3 *s.* a head at least upon the whole population.

1477. Mr. *Moffatt.*] An increase of 100 per cent.?—Yes.

1478. In what time would that increase take place?—It depends upon the mode of reducing the duty; if it was lowered rapidly, of course it would come more rapidly into consumption, I should say from four to five years. By a gradual reduction of the duty, it perhaps would be a longer time, perhaps nearly 10 years.

1479. If the duty were reduced to 1 *s.* a pound, your impression is that the consumption of tea would increase 100 per cent. within five years?—Yes.

Mr. *William Law,* called in; and Examined.

1480. *Chairman.*] YOU are in the wholesale and retail tea trade at Edinburgh?—Yes. Mr. *W. Law.*

1481. Upon what points do you feel yourself most competent to speak?—The tastes of the working classes for tea, the sort of tea they use, and the quantity they use, and the probability there is that they would use a great deal more if the price were lower.

1482. Will you give the Committee what information you can upon the various points you have mentioned?—I have paid attention to the tea trade a very long time, and I have been in rather extensive practice in supplying a great many of the working classes. It has always been a subject of interest to me to find both the description of goods that they use, and the quantity, and the mode of disposing of that quantity; and the quantity consumed when they are in good pay, as compared with what they consume when they are in smaller pay, according to the rate of wages; I think I got at very accurate facts upon these points. In order that I should not express anything rashly, I drew up a series of questions, which I submitted to eight or ten of the most experienced people in Scotland in the same line of trade, and asked them to fill in the answers, and they correspond so exactly with my own experience, that were I to read those questions, and the answers of one, it would be an epitome of the whole. I did that chiefly for this reason: a great deal has been said about an *ad valorem* duty, and that a low duty on a low tea would benefit the poor people, but I am convinced, from my own experience, that the poor will never use a low tea. I never heard any good argument for an *ad valorem* duty, except that it would benefit the poor; but I am prepared to prove that it would not benefit the poor.

1483. You mean to say that an *ad valorem* duty would not be favourable to the consumption of the poorer classes?—Certainly not.

1484. In the course of your experience as a tea dealer, what quality of teas is generally consumed by the working classes?—The middling and better kinds of tea.

1485. At what cost?—From 4 *s.* to 5 *s.* and upwards.

1486. What quality is generally bought by people rather poorer than the working classes?—The same description of tea.

1487. When employment is plentiful and wages good, say from 18 *s.* per week to 22 *s.* per week, and a working man's family consists of from four to six persons, what proportion of those wages in your opinion is spent per week in the article of tea?—I think 2 *s.* is a safe average.

1488. Were tea reduced in price, say 1 *s.* per pound, is it your opinion, derived from your knowledge of the tastes of the working classes, that they would generally use more of it than they are able to do now?—I am sure they would.

1489. In a working man's family consisting of five persons, whose income does not exceed 20 *s.* per week, how much tea, in your opinion, is consumed per head per annum?—From four to six pounds per head per annum; it would average that upon the population.

Mr. *W. Law.*

27 April 1847.

1490. How much tea, in your opinion, is consumed per head per annum by persons poorer than a well-employed working man; persons who have neither regular occupation nor fixed income?—About the same quantity; rather more if there is any difference; poor people use more in proportion than well paid people; I have ascertained the facts most particularly, and with great care.

1491. Why do you think that the poor will use a larger proportion of tea?—If a man's wages are good, say 22 *s.*, he will consume beef, and butter, and cheese; he lives upon more generous food, and takes rather less tea; but if he is either in very uncertain employment, or has less wages, the family will take two or three meals in a day; they will patch up a dinner, perhaps with a herring and a cup of tea.

1492. They take tea as a meal, not as a luxury?—Yes; it becomes the cheapest sort of food they can get.

1493. In accordance with that opinion, do you find that in times of distress the working people use more tea than at other times?—We do. This year is a proof in the whole kingdom; the want of potatoes and the high price of oatmeal has led to a much greater increase of consumption of tea than we have ever had before.

1494. Does your experience lead you to believe that an increase in the consumption would follow a reduction of the present duty upon tea?—Undoubtedly.

1495. Can you form any opinion to what extent?—I think the first year it would be a third.

1496. That is the result of your opinion?—It is scarcely mere opinion. I inquired of people; not of one or two, but of as many dozens, and I found the answers uniform, and the facts quite in accordance.

1497. Dr. *Bowring.*] Have you observed any increased consumption of tea amongst the more opulent classes?—Not so much. I do not look for the great increase there; they take tea when they are not hungry.

1498. Mr. *Moffatt.*] They take as much as they want?—Just as much; they would give more to their servants if the price were lowered.

1499. *Chairman.*] According to your experience, from what class does the great consumption of tea proceed?—I should say from all persons under those who pay the income tax; the greater proportion proceeds from those.

1500. Dr. *Bowring.*] Have you formed any estimate of the consumption of tea amongst the middle classes?—I have taken the trouble to ascertain that with accuracy; I have asked them questions when they came to buy a quarter of a pound of tea.

1501. *Chairman.*] With reference to the rate of duty, as a tradesman, what do you think would be the best mode of levying the duty?—A fixed duty.

1502. You say that from the way in which it would affect you in your trade?—No; from the way in which it would affect the import trade, and the Government, and the whole thing. I remember perfectly the experiment from 1834 to 1836. I have studied the question most accurately, and I am satisfied that the Government of this country could not take a more unfortunate step than to make that experiment over again.

1503. Mr. *Harcourt.*] Have you made any calculation of the increased consumption of coffee?—Yes; I have a great deal more to do in coffee than in tea.

1504. What has been the proportion of increase compared with the lowering of the price?—Everything that has been done since 1825, has been in favour of the increased consumption of coffee; and the result has been what no person would anticipate, a vast increase in the consumption and no advance in price. It has fluctuated a little, but it is lower now than it ever was.

1505. How much lower is the price now?—The price of coffee now, including the duty, is 30 per cent. lower, with the exception of one or two particular kinds.

1506. How much do you think the consumption has increased?—It has increased at the rate of 2,000,000 lbs. per annum.

1507. What is that upon the whole consumption?—When I began the coffee trade, the consumption per head per annum was 8½ oz.; it is up now to nearly 2 lbs. per head per annum, and that has been since the alteration of the duty, in 1825, from 1 *s.* to 6 *d.*

1508. Dr. *Bowring.*] Do you speak of Scotland?—I speak of the whole kingdom.

1509. Not

1509. Not including Ireland?—Yes; the most accurate data I have was the chancellor's last financial statement.

1510. A consumption of 2 lbs. per head would imply a consumption of 56,000,000 lbs. per annum?—It is almost 2 lbs. per head per annum; I think in the financial statement made by a Minister of the Crown he mentioned that circumstance.

1511. Do you deal also in sugar?—Yes.

1512. Have you observed any progressive increase in the demand for sugar in proportion to the increased demand for tea?—Yes; I think sugar a better test of people's capacity to consume tea than anything else; we observe the quantity of sugar they buy to the tea, and it is out of all proportion; they buy much more sugar in proportion than would sweeten the tea. It seems to arise from this, that tea is a very elastic substance; they put a certain quantity in the pot, and according to the number of cups they require they just put in more water; the water gives the additional cup of tea, but they must always have an additional spoonful of sugar to sweeten every separate cup; so that the great consumption of sugar would satisfy me that if they could get the tea cheaper they would consume a much greater quantity of it.

1513. According to that an increased demand for sugar would run parallel with a less demand for tea, for you say that more sugar is used on account of the weakness of the tea?—They must sweeten every separate cup with sugar; that runs away with the sugar, but they do not add tea to make up every separate cup.

1514. But if tea were cheaper, more tea would be used in proportion to the sugar?—They would use the same number of cups; the tea would be better tea; the same quantity of sugar would sweeten the same quantity of liquid tea.

1515. *Chairman.*] Are there any other points upon which you can give any testimony, derived from your own knowledge and experience?—I have listened to the evidence that has been given here these four days, and I noticed that Mr. Gibb mentioned as one reason why he would expect tea to be cheaper by competition amongst the trade; and that as less capital would carry on the trade, of course the competition would be great, and the profits of the dealer would be reduced. That would have a very wonderful effect. There is another source of increase, from which I should expect much. At present, there is a species of people called hawkers, who carry the tea about the rural parts of the country. They supply families with a little tea this week, and get payment the next, and give them a little more. If tea were reduced to a moderate price, 2 *s.* or 2 *s.* 6 *d.* a pound, there would be an enormous increase in that sort of trade. It would reach classes of consumers that now do not taste tea once in six months, in all the poorer parts of Scotland, distant from towns where they have no intercourse by railways, and no means of getting within reach of tea.

1516. Dr. *Bowring.*] Are the hawkers in the habit of adulterating the tea? —No, I think there is little or nothing in the way of adulteration of tea. It is not worth a man's while.

1517. Mr. *Harcourt.*] What is the comparative expense to the poor man of using tea and coffee?—I think coffee is rather the highest.

1518. *Chairman.*] Which requires most sugar?—Coffee.

1519. Mr. *Harcourt.*] Then the increased consumption of coffee must tend very much to increase the consumption of sugar?—Yes.

1520. Dr. *Bowring.*] Is milk very generally used in Scotland with tea? —Yes.

1521. Then an increased consumption of tea would increase the consumption of milk?—Yes.

1522. Mr. *Moffatt.*] Is it your own impression that if there was a large and immediate reduction of duty on tea, say to 1 *s.* a pound, there would be a corresponding large increase in the consumption?—I think the noise that would be made about it over the whole kingdom by every little shopkeeper would make the increase the first year perhaps the greatest of any. I really have that impression. I remember it was so in the case of port wine.

1523. Do you think that the increase would not be maintained?—It would go on; but I think there would be a much larger increase the first year than most people think.

Mr. *W. Law.*

27 April 1847.

1524. What do you think would be the increase the first year?—I stated one-third; but that is quite within the mark.

1525. Do you think that the price to the consumer would be reduced in proportion?—Yes; and more than that, if the duty were reduced 1*s.* a pound, the price to the consumer would be reduced, I think, 1*s.* 4*d.* a pound. The great noise that every man would make, in order to sell his tea, would bring down his profit. At the end of the week he would make more profit than he does now upon tea. The only question with the shopkeeper is how much can he sell in the course of the week; and if he could sell more tea at a less profit, and realize more money at the end of the week, he would be delighted.

1526. Dr. *Bowring.*] Is not tea one of the articles that leaves most profit to the retail dealer?—It does not leave most to us, but I believe it does in general. I observe sugar in London offered at a price that must be a loss, to tempt people to come into the shop.

1527. By what article is that loss covered?—It must be either tea or coffee.

1528. Mr. *Harcourt.*] It has been stated that if the duty on tea were reduced, the importer would be able to charge a larger price, and therefore the consumer would not get the benefit of the reduction of the duty?—That would soon cure itself.

1529. Dr. *Bowring.*] Is Scotland mainly supplied with tea from the Glasgow depôts?—We have ships into Leith, but the better buyers go to Liverpool and London.

1530. Where is Edinburgh principally supplied from?—Liverpool and London.

1531. Is that in consequence of the greater assortments found here?—There is a much better choice.

1532. Would the reduction of the duty, and the facilities given to the tea trade, tend to increase the general demand in Scotland?—That would be the effect at once.

1533. *Chairman.*] The duty being reduced, the prices would fall, and then the seller would attempt to derive his profit rather from extending the number of his consumers than from the high price of the article?—I think so.

1534. As the consumption increases, it is rather from the extent of surface which his sales cover, than from the profit upon the individual transaction, by which he calculates to gain?—Yes. When I find a poor man and his wife consuming at the rate of 6 lbs. of tea per head per annum, I infer that there must be millions of people in the country that never taste tea, because the consumption of the whole country is about 1 lb. 10 oz. per head per annum. According to my experience, I find that very ordinary people, a poor joiner, for example, with just his wife, never purchases less than a quarter of a pound of tea per week, which gives 6 lbs. per head per annum; and they frequently, once a month, will take a quarter of a pound of coffee in addition; now if people so poor as that consume regularly that quantity, there must be millions of people in the country that would consume as much if they could get tea.

1535. Your opinion is, that poor people do not consume anything like the quantity that the two persons you have mentioned do, who consume six pounds in the year?—Yes.

1536. You think that the reduction of the price, consequent upon the reduction of the duty, would bring into action a large portion of the working classes?—I think it would raise the consumption to 3 lbs. a head in a very short time.

1537. Mr. *Harcourt.*] With respect to those numerous classes that do not consume tea at all, what do you suppose they use as a substitute?—Persons living in far distant parts of the country have no substitute; they have oatmeal at one time of the year and potatoes at another, but they do not have tea.

1538. Do you imagine that in the Highlands of Scotland they would give up their oatmeal porridge and use tea?—I think it would find them out. I have had a good deal of experience of the Highlanders who come south at harvesting, and when they have been employed three weeks or a month, they manage to save 38*s.* or 40*s.*, and in going through Edinburgh they each of them take a little tea, perhaps half a pound. That is all the tea that is to be found in one of those families till next year.

1539. If they take to the use of tea, must they give up oatmeal, and use bread with their tea?—They would be content with oatmeal bread; they never have wheaten bread.

1540. You

1540. You know that many gentlemen in Scotland prefer for their breakfast oatmeal porridge to either wheaten bread or oatmeal with tea?—Yes.

1541. Not from want of means to pay for tea?—Perhaps it is connected with the stomach. I know many people in Edinburgh who do the same thing.

*William Scott*, Esq., called in; and Examined.



1542. *Chairman.*] YOU were lately the Secretary of the Chamber of Commerce at Canton?—Yes.

1543. You are familiar with the state of affairs at Hong Kong?—I believe so.

1544. Have you any evidence to give with respect to Hong Kong?—I have several documents with respect to the sales of land. Here is a public notice and declaration by Captain Elliott, as to the principles and conditions on which allotments of land will be made, dated Macao, 1st May 1841; public advertisement, dated 7th June 1841, of sale to take place at Hong Kong on 12th June 1841, at 10 A. M.; quotation from Hong Kong Gazette of 25th June 1841, narrating terms of above-named sale and particulars of rates, with names of purchasers; Captain Elliott's letter, dated Macao, 17th June, stating that he would move Her Majesty's Government either to pass the lands in fee simple for one or two years' purchase at the late rates, or to charge them in future with no more than a nominal quit-rent, should that tenure continue to obtain; Sir Henry Pottinger's public notice of 10th April 1843, to holders of land, promulgating the instructions of Her Majesty's Government; Sir Henry Pottinger's public notice of 21st August 1843, communicating further instructions; memorial, dated 13th August 1845, from British residents at Hong Kong to Lord Stanley, Secretary of State for the Colonies, representing their grievances, with a letter from Sir John F. Davis, Bart., and rejoinder from the committee of residents; advertisement of 12th December 1843, of a public auction of leases of land to take place on 22d January 1844; table of fees, dated 13th January 1844, chargeable at the Land Office, at Hong Kong; notice of 15th January 1844, that owing to unavoidable circumstances, the leases of Crown lands will not be ready for delivery till Monday, 22d January 1844; list of purchasers and prices at the land sale at Hong Kong, on 22d January 1844.

1545. Your object is first to show the original conditions on which you understood the land to be sold at Hong Kong, and how far there has been any variation from those first understood conditions?—Yes.

1546. Will you deliver in those documents?—(*The same were delivered in, vide Appendix*).

1547. Having put in those documents, will you state what conclusions you draw from them?—That the original agreement with Captain Elliott has been departed from.

1548. Mr. *Spooner.*] In what way?—Captain Elliott led us to suppose that we were to receive the land in fee-simple, or in perpetuity, with a quit-rent, and instead of that we have got a 75 years' lease.

1549. Was that understanding with Captain Elliott in writing or verbally?—Captain Elliott stated verbally that we should have the land upon those terms, and also that he would move Her Majesty's Government to agree to those terms.

1550. Did anything pass in writing upon that subject?—The documents are extracted from the Government Gazette.

1551. Mr. *Moffatt.*] Do those documents show that it was originally intended to be freehold?—I think they convey that idea; that was certainly the understanding at the time; that was the expectation we all had.

*Jovis, 29° die Aprilis, 1847.*

MEMBERS PRESENT.

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|---|---|
| Mr. Beckett. | Viscount Jocelyn. |
| Dr. Bowring. | Mr. Matheson. |
| Mr. Cardwell. | Mr. Moffatt. |
| Mr. Ewart. | Mr. J. A. Smith. |
| Mr. Harcourt. | Mr. Spooner. |
| Mr. Hawes. | Sir George Staunton. |

WILLIAM EWART, Esq. IN THE CHAIR.

Mr. *John Warden Robberds,* called in; and Examined.

Mr. *J. W. Robberds.*
29 April 1847.

1552. *Chairman.*] WHAT is the name of your firm?—John Warden Robberds & Company.

1553. Are you in the camlet trade at Norwich?—Yes.

1554. Have you been engaged in the camlet trade with China?—Yes.

1555. What is the present, and what has been the former state of that trade?—It is about a hundred years since the East India Company first introduced the article into China; and until the expiration of their charter they were very large exporters of it. About forty-one years ago they exported as many as 24,000 pieces a year, to the amount of 200,000*l.* a year; and there was no article with respect to which they were so particular in maintaining the quality as in camlets. Their inspectors were very strict in keeping up the standard qualities, and the Company were so desirous of retaining the monopoly that their own officers, who were allowed to take out other manufactures, were interdicted from taking out camlets at all; a fine of a guinea was inflicted upon them for every piece they were detected in taking out. When the Americans began to trade with China for themselves, they exported British manufactures to pay for their teas, and amongst them vast quantities of Norwich camlets. Then the quantity sent out by the Company was decreased, but the Americans supplied the deficiency, so that the trade between them was kept up for many years to the same quantity of pieces. During that time the duty levied by the Chinese on camlets amounted to from 17 to 18 dollars a piece. By Sir Henry Pottinger's treaty the duty was reduced to about a dollar and a half, and it was universally anticipated that there would be a very great increase in the consumption of camlets in China. If I may be allowed to refer to the opinion of a practical and experienced man, I could refer to that of Mr. Nathan Dunn, who was the proprietor of the exhibition called the Chinese Collection, who for many years resided in Canton, and carried on a very profitable business there. I was on very friendly terms with him, and he told me, when the particulars of Sir Henry Pottinger's treaty were announced here, that he had no doubt that the consumption of camlets in China would be larger than ever, and he said, "I advise you, as a friend, to make all you possibly can." For a time his opinion appeared to be confirmed; for in the year 1843 the camlets sold in China as fast as they arrived, and at higher prices I think than ever known, at such prices as proved that the supply was not equal to the demand. The large sales of manufactured goods in that year of course brought a very large supply of tea into this country, and the importation of tea was then so large that the market was overstocked. Many of those who had made large profits on their goods, which they had sold to the Chinese, were anxious to realize their returns here, and they

they accepted lower prices for their teas than were before known in the market. The consequence was that the market prices of tea fell very much in this country, and the importation so far exceeded the demand that in the last four years I see by the official returns that there has been a surplus of about 16,000,000 lbs., over what has been consumed in this country and exported. The stock of tea in this country has increased 16,000,000 lbs. during the last four years.

1556. What is the excess of that over the previous stock before the time to which you refer?—I only take the amount of the imports and the amount of the deliveries in the last four years. There has been an excess of 15,997,342 lbs. in the four years, an excess in the quantity imported over the total deliveries. The consequence of this state of things has been, that of course the merchants in China, who are the sellers of the manufactured goods, could not take the quantity of tea that they had taken before. The state of things is such in China, that the sale of manufactured goods is regulated entirely by the quantity of tea that we can take. If we could take double the quantity of tea that we now take, the Chinese would take double the quantity of our manufactures, and the consequence would be an immediate increase in the employment of manufacturing industry in this country. Now the impediment to the increase in the consumption of tea in this country has appeared to me to be the enormously high duty that is levied here upon it. During the last four or five years, in consequence of the decrease in the price of tea, there has been a very large increase in the consumption, arising of course partly from the increase in the population of the country, but principally from the decrease in the price; and there can be no doubt that that increase would go on much more largely, if by a reduction of the duty a lower price for tea could be charged to the consumer. Another point which strikes me as of great importance is this, that at present I am perfectly satisfied that the high duty holds out a great inducement to adulteration. The complaints in our part of the country of the badness of the tea which is generally offered there for sale are universal, and within the circle of my acquaintance I know of many individuals who left off the use of tea because it was so bad that they found it actually injurious to their health. I can speak to one particular fact. A person who had been largely engaged in trade as a chemist and druggist, and was retired from business, told me, that after he had made his decoctions of senna, a grocer used to purchase his senna leaves of him to mix them with his teas. That is one fact that has come within my own knowledge. The senna leaves resemble tea leaves very much, and he sold them to a grocer who mixed them with his teas. However, in consequence of the complaints universally made in my quarter of the country of the badness of the tea, I determined to adopt a new course. I have had my teas down to Norwich to sell them there by retail, and the consequence is that all those who had left off the use of tea, as soon as they found that they could get it genuine and unadulterated, being sold direct from the chest, have reverted to the use of it, and they say they never before knew what real tea was.

1557. Then the adulteration has been checked a great deal by your assistance at Norwich?—I have no doubt it has; I know this, that the teas now commonly kept for sale in Norwich by the retailers, are very different from what they were; that they are very much improved.

1558. You believe that if there was a cheaper and a more abundant supply of tea from China, there would be less adulteration and a great many more consumers of the article?—Yes.

1559. Was this tea, tea which you imported from China yourself?—Yes; my camlets are shipped and sold there, and I have teas in return.

1560. Can you state in what part of China the camlets are principally consumed?—Since the port of Shang-hai has been opened to us a great many have been sold there. I have no doubt that if we could take a larger supply of tea from the Chinese, the sale of camlets would be very much increased beyond what it is now; but at present, in consequence of the state of things of which I have told the Committee, we have not now in Norwich a fourth part of the hands employed in the manufacture of camlets that we employed four years ago.

1561. Do you represent the opinion of a great portion of the camlet trade in

Mr. J. W. Robberds. 29 April 1847.

Norwich upon this subject?—At present I am really the only manufacturer of camlets in Norwich; all the others have been so discouraged by the state of the trade, that they have given it up; I am the only one who has persevered in it.

1562. Is it on account of the state of the trade with China that they have given it up, or on general grounds?—In consequence of the state of the trade with China, and the difficulty of obtaining profitable returns.

1563. How many firms were there before in the camlet trade at Norwich?—During the time of the East India Company, we had from 14 to 15 different houses who manufactured for the East India Company; the order was divided amongst them.

1564. Dr. *Bowring.*] Does any other country manufacture camlets except this?—Not camlets of the same description as the Norwich; the Dutch camlets which are sent to China are made of mohair.

1565. The English manufacturers have a monopoly of that peculiar sort of goods?—There is no other country which manufactures camlets similar to ours.

1566. *Chairman.*] Do the Americans take camlets from Norwich now, as they used to do?—Not now.

1567. What is the reason that they have ceased?—Since the trade was opened the English merchants could take the camlets direct themselves, and the Americans have given it up. I suppose they supply the place with their own manufactures.

1568. Viscount *Jocelyn.*] Are the Americans able to undersell the English merchants in the Chinese market?—I have not come at all into contact with the Americans. It is cotton goods that the Americans export.

1569. Do you know whether, in cotton goods, they are able to undersell the English?—I cannot speak to that. It is a trade with which I am not at all acquainted. My experience lies entirely in the worsted trade.

1570. Do the Americans make camlets?—No.

1571. Dr. *Bowring.*] Have any changes taken place in the camlet manufacture since the opening of the trade?—The only difference that has been made is in making them now by the power-loom instead of by the hand-loom.

1572. That has reduced the price?—The price is reduced very much. The price is not now half what it was in the time of the East India Company.

1573. That has given you great additional facilities in China?—Yes; the only obstacle with which we have to contend is the high duty on tea. We manufacture the goods by the power-loom cheaper and better in every respect. They are cheaper and better goods than they were. There is every disposition in the Chinese to take them as before, but we are so obstructed by the difficulty of obtaining returns that the trade is brought into the state in which it now is.

1574. *Chairman.*] Do your correspondents in China lead you to believe that there would be a greater demand for camlets if the trade was further opened by a reduction of the duty on tea?—Yes, there is no doubt of that. The experience of the year 1843 abundantly proves it. The Chinese took every piece as fast as it arrived, and at higher prices than ever were known there.

1575. Was that at other ports besides Shang-hai and Canton?—Canton and Shang-hai principally; some few at Amoy, but the trade at Amoy is not very large.

1576. Dr. *Bowring.*] Are camlets manufactured wholly of British wool?—Entirely.

1577. Mr. *Spooner.*] Do not you ever mix Merino wool with it?—I am not aware that Merino wool is ever mixed with them. They used to be made entirely of long Lincolnshire and Leicestershire wools.

1578. *Chairman.*] Do camlets come under the five per cent. duty, levied under the treaty with China?—There is a fixed duty of so much per chang; it amounts to about a dollar and a half per piece.

1579. What per-centage does that form upon the value of the article?—The price has varied much; at the time when the duty was laid on, it was barely five per cent.; at the present price it amounts to rather more than five, perhaps about 7 ½ per cent.; the price is so much lower.

1580. As you are interested in the camlet trade, have you taken any means of ascertaining whether there are any transit duties in China levied upon that article;

article; and if so, what is their amount?—I am not competent to speak about that; the 1½ dollar is the import duty in China.

1581. Dr. *Bowring.*] By what classes of the Chinese are the camlets worn?—I do not think they are worn by the very lowest class.

1582. Mr. *J. A. Smith.*] Can you put in any statement of the progress of the exports of camlets for the last 10 years?—I can state what I have myself made. I have no statement of the general export of camlets; it has varied very much. In the official returns the camlets are generally included under worsted stuffs. The exportation of worsted stuffs to China, in 1845, amounted to 372,428 *l.*, and in 1846 to only 206,328 *l.*

1583. Can you state what it was 10 years ago?—No, I cannot.

1584. Do you think that the sales which have taken place at Shang-hai and at Amoy, have diminished the amount of sales at Canton?—The total amount of sales has been decreased within the last three or four years, since the year 1843.

1585. Have the sales at Canton continued the same since these new ports have been opened, or have the sales at the new ports gone in diminution of the quantity previously sold at Canton?—In 1843, the sales at Shang-hai and at Amoy, I think, were additional to the sales at Canton; but since that, I think that they have interfered with the sales at Canton. That is the inference that I draw from the sale transactions, as far as I have seen them.

1586. You are understood to say that the motive for so many persons abandoning the camlet trade, and for yourself complaining of the camlet trade, is the low price of the returns in which you have paid for those camlets?—Principally so.

1587. Is the price at which you sell those camlets, as returned to you by the agents you employ in China to sell them, a profit upon the invoiced cost of the camlets?—Of late the sales have scarcely been so, unless at a very high exchange which has not existed.

1588. Therefore lately the nominal price even, obtained in China for your goods, has not been a profitable one?—It has not; the market has been overstocked.

1589. I call it a nominal price because you are paid in produce?—Yes.

1590. Upon that price upon which you have received the Chinese produce, you have sustained a further loss in selling that produce in England?—Yes.

1591. Since what time have you begun to lose upon your returns?—The returns have varied a good deal in their produce.

1592. Taking the average of six months or a year's transactions?—Even some of the returns for 1843 were not advantageous; some were.

1593. But upon the average of the year, were they advantageous?—They were.

1594. But subsequently to 1843, has the average of the year been advantageous?—In 1844 they were pretty good, but in 1845 and 1846 they were disadvantageous.

1595. Should you have any objection to put in for the Committee, the results of a complete transaction on camlets?—I could not put in a transaction to show anything like a fair average, because they have varied so much; there have been so many different transactions, and the shipments of tea have not always exactly corresponded to the amount of any particular sale; they have all been blended together.

1596. You think it would mislead the Committee?—I think it would mislead the Committee.

1597. Mr. *Spooner.*] Can you give the Committee any information as to what price of tea in this country would be likely to give you a fair return for your camlets?—Prices vary so much in China, that I could not fix any one particular price that would remunerate.

1598. You have stated that your difficulty in selling your camlets in China, is the loss upon the return by tea. Can you state what price of tea in this country would obviate that difficulty?—The difficulty is not only in the low price of tea that prevails here, but also in not being able to take a sufficient quantity of the Chinese. The trade with China is limited by the quantity of tea that we can take. Since the opening of the trade a number of new articles have gone into China, and there is great competition amongst the merchants in this country who export to China. The quantity you can sell is

Mr. *J.W. Robberds.*

29 April 1847.

limited, therefore every one is trying to get what share he can of it. If the market there could be extended by our taking double the quantity of tea that we now take, then there would be double space open to us for exporting our manufactures.

1599. Mr. *Hawes.*] Would not the competition still continue?—The field would become so large that I do not think the competition would remain as it is at present, where the market is very limited.

1600. Do you think that any reduction in the price of tea would prevent the competition amongst the merchants and manufacturers which has led to the excessive importation of British manufactures into China?—The exports to China have very much decreased within the last two years, in consequence of the state of things.

1601. That decrease has reference to the demand in China, has not it?—No; it has reference to the quantity of tea that we can take of the Chinese.

1602. Has not it reference to the quantity of goods which the Chinese can take?—The Chinese can take any quantity of goods of us.

1603. Assuming that there were no duty upon tea in this country, and that the price of tea was the natural price, a price entirely the result of bargaining in the market; do you think that there would be a diminution in the competition for the Chinese trade, amongst the merchants and manufacturers of England?—I think that the natural effect of such extension of the market would be, that there would not be so much competition. Where there is only a small quantity to be obtained, those who are striving for it of course can get less, and they will be more earnest in their exertions to obtain it.

1604. Assuming that the largest quantity of tea was consumed in England that could be consumed, and that the largest quantity was obtained in China that could be obtained, do you think that in that case there would be any diminution in the competition for the trade with China on the part of British merchants and manufacturers one with another?—I believe there would. If we could export twice or three times the quantity of manufactures that we do now, and there was a market for them, competition certainly would be decreased greatly.

1605. You think, then, that the further opening of the China market would diminish the competition which at present is one source of injury to the merchants and manufacturers?—I believe it would, and I believe that it would have an immediate beneficial effect upon the manufacturing interests in this country. If the consumption of tea were increased in this country, we should not have to wait for the tea to come and to be sold here, and then to remit payment for it. We must send out manufactures immediately to pay for the tea that would be wanted.

1606. Is it your opinion, that with a larger trade there would be less competition?—I think so, decidedly.

1607. Mr. *Cardwell.*] Is it your opinion that ultimately the trade will find such a level, that if it is carried on at all it will be with remuneration to those who undertake it?—I have no doubt of it.

1608. Have you any doubt that competition ultimately will reduce it within such limits as that the profits will not be excessive?—I believe so. The high price of camlets in 1843 I believe was a great injury to us.

1609. *Chairman.*] Your general experience leads you to believe that the extension of trade is a good thing?—I think there can be no doubt of it; we shall have some thousands of hands employed. If the duty on tea had been reduced years ago there would now have been thousands at work who at present are idle.

1610. Your manufacturers of camlets would be better able to purchase the articles that the Chinese send, by being employed?—Just so.

1611. You said that the year 1843 was the greatest year of the camlet trade in China since the opening of the trade?—The best of late years.

1612. Will you compare that with the greatest amount of the trade in any year under the East India Company's monopoly?—It did not amount to nearly so much as it was during the East India Company's time.

1613. Can you state the relative amount in camlets?—As nearly as I can judge without having any accurate returns, I should think that the sale of camlets in China, in the year 1843, may have amounted to nearly 100,000*l.*;

but

but during the time of the East India Company the amount was much larger, but the article itself cost a good deal more then.

1614. Comparing the amount in number of pieces, how does it stand?—The number of pieces has not come quite up to what it used to be in the Company's time.

1615. The Company had a larger trade in camlets than there has been in the largest year since the abolition of the Company's monopoly?—Yes; but the Company exported fewer articles; since the opening of the trade many new articles have been introduced into China, which have limited the sale of camlets, because the camlet exporters can only have their share of the whole trade.

1616. Those articles have stood in the place of the camlets which the East India Company formerly exported?—Yes.

1617. Therefore taking into consideration the camlets now exported, and the articles substituted for the camlets which the East India Company exported, which trade is the greatest in amount, the present trade or that during the East India Company's monopoly?—The total amount now is larger, because we consume much more tea now than we did during the time of the East India Company. The total amount of the trade with China has very much increased, but the whole woollen trade is not so large now as it was in the time of the East India Company.

1618. Mr. *J. A. Smith.*] Here is a Return to the House of Commons on the 3d March 1846, of the exports of woollen and worsted goods from 1824 to 1833, and from 1833 to 1844, and it appears that in the year 1845 the whole amount of the woollen and worsted goods exported to China is considerably less than it was in the year 1825. Can you account for that falling off in the exports of woollen and worsted goods to China?—Looking at that return it appeared to me that it was confined to the port of London, because it does not agree with some other returns that I have seen. The increase in the cotton trade has undoubtedly checked the worsted and woollen trade, but the worsted and woollen trade of China would in my opinion have kept up to its first amount if there had been a large British market for tea; but the market being limited as I stated, and a great number of new articles going in, of course they all have their share, and those that took the lead before would be cramped and confined.

1619. *Chairman.*] You have a better trade now than you had under the East India Company's monopoly, yet you do not sell so many woollens as you did then?—We do not sell so many woollens, certainly.

1620. Dr. *Bowring.*] Do you think that the fluctuations of fashion in China have had anything to do with the diminished demand for camlets?—I have always understood that the Chinese were the most unchangeable race of people on the face of the earth in their fashions; that they always keep to the same style of dress.

1621. In the assortment of colours in your experience, have you found any great variations in the demand for camlets?—No great variations; the same colours which the East India Company sent 50 years ago, are the colours now prevailing.

1622. Mr. *Moffatt.*] Have you tried other fashions in colours?—Other colours have been tried, but they have never succeeded to any extent. In the year 1836 I remember having an order for entirely new colours; it was supposed that they would suit the Chinese. But of all those new colours then sent, there is only one that has at all stood its ground, and that is the gentian blue.

1623. Dr. *Bowring.*] Blue is the predominant colour, is it not, in camlets?—Blue and purple are the prevailing colours. The purple is a redder shade of the blue.

1624. *Chairman.*] You consider that one cause of the diminution of the demand for woollens has been the increased demand for our cottons?—I conceive so.

1625. Dr. *Bowring.*] Has the value of your camlets declined in proportion as the cotton manufactures have superseded them?—I think not.

Mr. *J. W. Robberds.*

29 April 1847.

1626. *Chairman.*] Has the only cause of the diminution in the demand for woollens been the increased demand for cottons, or what other cause has there been?—There has been a much greater variety of articles introduced into China. The trade in opium was unknown there in the time of the East India Company. Every new article that is introduced into China must of course, if the Chinese like it, decrease the sale of other articles.

1627. Opium would hardly displace woollens?—If there is only a certain quantity of tea to be taken, the trade is limited by that; and when so many different articles come into competition with each other, the new ones will of course abstract from the quantity of the old.

1628. How far has the Russian trade interfered with your trade?—I do no think it has interfered at all.

1629. Do you know anything of the Russian woollen trade in China?—I know nothing of it; but I have never heard of any Russians coming in competition with us.

1630. Sir *G. Staunton.*] Are you aware that the East India Company frequently exported woollens to China at a loss to themselves, beyond the demand, with a view to encourage British manufactures?—I have heard it said that the East India Company lost by their woollens; but they were always repaid by their teas, because they always calculated the cost of their teas by the invoice amount and expenses of the goods which they sent out. They put up their teas for sale, beginning at the cost price so calculated.

1631. Dr. *Bowring.*] At the very period at which the East India Company are said to have exported woollens at a loss, did not the Americans, who had no advantage of monopoly, purchase a great number of woollens in the British market and export them to China?—I never heard of the East India Company losing by their woollens, after the Americans began to purchase woollens here to export to China; the Americans, I know, made large profits.

1632. Is it within your knowledge that, at the period at which the East India Company is said to have sold at a loss, American merchants carried on transactions in the very same articles at a profit?—The East India Company, when they had a monopoly, complained of losing by their woollens; after the Americans came into competition with us, I never heard of the Company losing by their woollens.

1633. Did the trade continue for any long time in the hands of the Americans?—Many years.

1634. Is not that absolute evidence that it must have been a profitable trade?—I should think so.

1635. Sir *G. Staunton.*] The article alluded to is that of long ells, upon which it is asserted by the Company that they did lose at times very considerably, by exporting a larger quantity than the actual demand in the market?—I can say nothing on the subject of long ells; but I think if the East India Company were so anxious to retain their monopoly of camlets that they fined their officers a guinea for every piece which they took out, it could not have been a losing trade.

1636. Dr. *Bowring.*] The East India Company did absolutely exclude their officers from exporting camlets?—Their officers were prohibited from taking any camlets, and they were fined a guinea for every piece that they were detected in taking.

1637. Was that at the very period when the Americans were in the market purchasing?—No; that was before the Americans purchased them.

1638. Mr. *Moffatt.*] Were the officers permitted to take woollens and cottons?—They were permitted to take anything but camlets; but still they incurred the risk of this fine, because the East India Company's captains used to take out many camlets, even at that time.

1639. Dr. *Bowring.*] Are you aware that the East India Company ever interfered with the adventures of their captains and pursers, except in the case of camlets?—I never heard of it in any other case.

1640. As regards the trade with China, do you, as an importing merchant, prefer an *ad valorem* or a fixed duty on tea; which system of impost do you think

think is best for the extension of trade?—I can scarcely give an opinion upon that, but from all I have seen I should think that a fixed duty would be preferable; there would be great difficulties in an *ad valorem* duty.

1641. And therefore you would prefer a fixed duty, as an importer of tea?—I should say, as far as my experience goes, that a fixed duty is preferable. There is one point with respect to the duty, if I may be allowed to refer to it, which I should wish to bring under the notice of the Committee; it is this: That the duty on tea now produces annually 2,000,000 *l.* more than it did some years ago; that increase of the duty on tea has been applied to the reduction of duty on other articles; the duties on timber, on brandy, and on tallow have been reduced, but tea has been left burdened with the same heavy duty as before, which I think is a great injustice; and that where there has been such increase in the produce of taxation of one particular article, it ought to have been applied to the relief of that article, and not given to the encouragement of trade in others. I merely state that as a point for the consideration of the Committee, which I think, in justice to the trade with China, and to its importance, ought not to be overlooked.

1642. Viscount *Jocelyn.*] Do you happen to know that there was a very large trade carried on a few years ago between this country and China in furs and rabbit skins?—I cannot speak to that.

1643. Can you state whether that trade has tended to interfere with the woollen trade?—I have understood that a large trade is carried on between the western coast of North America and the Chinese in furs. It is possible that that may have had some effect.

1644. Is not it true that the whole of the British cotton fabrics and cotton dresses now consumed by the Chinese, have been imported since 1835; and is not it possible that they may have been in some degree substituted for woollens?—I think that every new article introduced into China must, in the present state of trade, interfere with the older articles; but if the trade were capable of the expansion which would take place, by which we could take more tea, I think the old articles would retain their place just the same, and that the new articles would be an additional trade.

1645. Mr. *Cardwell.*] You have been asked a good many questions as to competition between cotton articles and woollen articles; have you any doubt, from your experience, that the limit to our export of woollens is the power we have to take in return the produce of the Chinese?—Just so; the limit to our trade with China is the quantity of tea or other articles of Chinese produce that we can take. For example, if we could increase the sale of Chinese sugar or other articles, the produce of China, it would have the same effect; but the only thing that appears to me likely to extend our trade with China, is our taking an increased quantity of tea.

1646. Mr. *Hawes.*] That applies to our trade all over the world, does not it: is not our trade with every country limited by the returns we can obtain for it?—I am not aware of any other country in which the returns are so immediate as in the China trade. There is no other country in which trade is carried on so much by barter as it is with China. If we found an increase in our consumption of tea here, we should immediately have to send out an additional quantity of manufactures to purchase tea to supply that demand.

1647. *Chairman.*] And from your observation you do not entertain any doubt of an increase in the consumption of tea in this country, provided the duty were reduced?—I have no doubt of it.

1648. Mr. *Hawes.*] With regard to the importation of sugar also, and with respect to our trade generally, does it not depend entirely upon the returns that we can import for what we export?—I do not think that in any other country with which we trade, the trade is so completely carried on by barter as it is with China.

1649. If we can import their sugars, we can then export our manufactures to those countries which have sugars to export?—I have no experience of the trade with other countries; I am speaking only of the trade with China, and as to what the effect would be there.

1650. *Chairman.*] Can you state what is the relative pressure of the duty upon

Mr. *J. W. Robberds.*
29 April 1847.

upon the article, comparing tea with coffee and sugar, and other articles?—The duty on tea amounts upon the average to more than 200 per cent.

1651. What is the per-centage of the duty on coffee or sugar?—I am not acquainted with the coffee and sugar trade.

1652. Viscount *Jocelyn.*] The present depressed state of the trade with China, in your opinion, arises not from over speculation on the part of this country as regards the power of consumption of the Chinese, but from the impossibility of the Chinese to make a return for our manufactures?—Exactly.

1653. Dr. *Bowring.*] Are you aware that woollen manufactures intended for camlets have been sent to China by some of the manufacturers in the Zollverein in Germany?—I am not aware of it; they do not manufacture camlets. The mohair cloths are made there.

1654. Do you know whether there has been an increased or diminished demand in China for the mohair camlets from Holland?—I am not able to speak to that.

1655. What is the relative value of the Dutch as compared with the English camlets?—I forget now; but I will state this, that if we could take a sufficient return from China, we could manufacture those camlets; the mohair yarn which the Dutch use in making those camlets is chiefly spun in Norwich.

1656. *Chairman.*] Then you do not fear competition if there were adequate means of trade in the shape of returns?—If we could take returns; but there is no use in our endeavouring to extend our trade in other articles, because we cannot take sufficient returns to keep our camlet trade going.

1657. Mr. *Cardwell.*] At present the supply of woollen manufactures to China is almost exclusively in our hands?—I believe it is.

1658. Is it much easier to keep an exclusive trade when you have got it than to make one when you have not got it?—To keep it is certainly easier.

*Edward Brodribb,* Esq., called in; and Examined.

*E. Brodribb,* Esq.

1659. *Chairman.*] YOU are in the tea trade at Liverpool?—I am.

1660. What is the result of your experience of the effect of the price of tea on the consumption of the article?—That increased consumption has invariably followed lowness of price.

1661. Will you have the goodness to establish that point by figures, so far as you are able to do so?—One great evil under which the China trade appears to labour in England, is the difficulty of realizing returns either readily or profitably. That difficulty appears to be increased, if not altogether occasioned, by the present high rate of duty on tea. If the duty were reduced, the consumption would be materially increased. I will substantiate that by a Table which I have drawn up from the Parliamentary Return, No. 190, of 1845, moved for by Mr. Hastie. I have made this the basis of a Table which will be more practically applicable to the present purpose. I have taken the series of years during which each rate of duty was in operation, thinking any one year an unfair comparison. I begin with the series of years from 1787 (which is the first year for which I have a return of the amount of revenue) to 1794.

1662. Will you have the goodness to read that Table?—

[*The same was read, as follows:*]

## TEA.

AVERAGE DUTY, PRICE (in Bond and Duty-paid), CONSUMPTION, and POPULATION, from 1787 to 1846=60 Years.

| Years. | Duty per lb. | Price in Bond per lb. | Duty-paid Price per lb. | Consumption. | Population. |
|---|---|---|---|---|---|
| | All Kinds of Tea: | | | | |
| | *s. d.* | *s. d.* | *s. d.* | | |
| 1787 to 1794 | – 9 | 6 – | 6 9 | 16,792,806 | — |
| 1795 to 1796 | – 9 ¾ | 4 – ¾ | 4 10 ½ | 20,833,776 | — |
| 1797 - - | 1 2 | 3 10 | 5 – | 18,858,427 | — |
| 1798, 1799 - | 1 1 ½ | 3 1 ¾ | 4 6 | 22,629,211 | — |
| 1800 - - | 1 – ½ | 2 7 ¼ | 3 7 ¾ | 23,271,799 | — |
| 1801, 1802 - | 1 3 | 2 6 | 3 9 | 24,565,222 | 1801, U. Kingdom - 16,338,000 |
| 1803 to 1805 | 2 2 ½ | 2 4 | 4 6 ½ | 23,733,526 | — |
| 1806 to 1818 | 3 – ¾ | 3 2 ¼ | 6 3 | 24,110,095 | 1811, U. Kingdom - 18,547,000 |
| 1819 to 1833 | 2 6 | 2 6 | 5 – | 28,697,114 | 1821 „ 21,193,000<br>1831 „ 24,029,702 |
| 1834, 1835 - | 2 2 | 1 11 ¾ | 4 1 ¾ | 34,395,987 | — |
| | Bohea only: | | | | — |
| 1834, 1835 - | 1 6 | 1 8 ½ | 3 2 ½ | 1,375,840 | |
| | Congou only: | | | | — |
| 1836 to 1839 | 2 1 | 1 9 | 3 10 | 36,811,580 | |
| 1840 - - | 2 2 ¼ | 2 9 | 4 11 ¼ | 32,252,628 | — |
| 1841 - - | - - | 2 – ¾ | 4 3 | 36,675,667 | 1841, U. Kingdom - 26,711,694 |
| 1842 - - | - - | 1 11 | 4 1 ¼ | 37,355,911 | — |
| 1843 - - | - - | 1 8 | 3 10 ¼ | 40,293,393 | — |
| 1844 - - | - - | 1 8 ½ | 3 10 ¾ | 41,363,770 | — |
| 1845 - - | - - | 1 6 | 3 8 ¼ | 44,133,135 | — |
| 1846 - - | - - | 1 1 ¾ | 3 4 | 46,728,208 | — |

I have another Table here, founded likewise upon official returns, showing the increase in the consumption in English, Irish, and Scotch ports, from 1842 to 1846.

1663. Have the goodness to read that.—

[*The same was read, as follows:*]

QUANTITY of TEA, Duty-paid, 1842 to 1846, in English, Irish, and Scotch Ports.

ENGLISH PORTS.

| Year. | London. | Liverpool. | Bristol. | Hull. | All Others. | Total. | Duty-paid Price of Congou. | Increase in Consumption. |
|---|---|---|---|---|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *s. d.* | |
| 1842 - - | 24,022,936 | 3,345,421 | 689,521 | 84,428 | 674,576 | 28,816,882 | 4 1 ¼ | — |
| 1843 - - | 25,234,817 | 3,750,473 | 759,816 | 90,395 | 1,028,106 | 30,863,607 | 3 10 ¼ | 7 1/9 per cent. |
| 1844 - - | 24,796,062 | 4,494,492 | 914,193 | 317,324 | 1,169,576 | 31,691,647 | 3 10 ¾ | 2 ⅔ „ |
| 1845 - - | 25,026,824 | 5,400,783 | 869,731 | 410,459 | 2,018,400 | 33,726,197 | 3 8 ¼ | 6 ⅖ „ |
| 1846 - - | 26,094,769 | 5,793,490 | 776,275 | 244,030 | 2,442,812 | 35,351,376 | 3 4 | 4 ⅘ „ |

IRISH PORTS.

| Year. | Dublin. | Belfast. | Cork. | All Others. | Total. | Duty-paid Price. | Increase in Consumption. |
|---|---|---|---|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *s. d.* | |
| 1842 - - | 2,803,879 | 872,742 | 426,288 | 832,743 | 4,935,652 | 4 1 ¼ | — |
| 1843 - - | 2,950,677 | 962,935 | 526,352 | 924,280 | 5,364,244 | 3 10 ¼ | 8 ¾ per cent. |
| 1844 - - | 3,202,914 | 1,071,856 | 546,180 | 970,993 | 5,791,943 | 3 10 ¾ | 8 „ |
| 1845 - - | 3,621,270 | 1,140,520 | 580,837 | 1,168,847 | 6,511,474 | 3 8 ¼ | 12 ½ „ |
| 1846 - - | 3,777,902 | 1,122,926 | 633,002 | 1,366,150 | 6,899,980 | 3 4 | 6 „ |

SCOTCH PORTS.

| Years. | Glasgow. | Leith. | All Others. | Total. | Duty-paid Price. | Increase in Consumption. |
|---|---|---|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *s. d.* | |
| 1842 - - | 1,351,504 | 1,170,795 | 519,940 | 3,042,239 | 4 1 ¼ | — |
| 1843 - - | 1,379,685 | 1,494,567 | 623,346 | 3,497,598 | 3 10 ¼ | 11 ⅔ per cent. |
| 1844 - - | 1,624,268 | 1,413,997 | 624,276 | 3,662,541 | 3 10 ¾ | 4 ⅔ „ |
| 1845 - - | 1,842,539 | 1,401,975 | 683,022 | 3,927,536 | 3 8 ¼ | 4 ¼ „ |
| 1846 - - | 2,037,893 | 1,465,370 | 801,640 | 4,304,903 | 3 4 | 9 ⅔ „ |

1664. Mr. *Harcourt.*] How were those prices taken?—The prices were taken by myself from actual sales; the quantities are taken from official returns. The prices of tea are made up from my own knowledge. I am a tea broker; my business is to sell tea on account of the importer, to the trade.

1665. You have taken the average price during the year?—Yes.

1666. What quality of tea?—These are taken from the Congous of all kinds.

1667. *Chairman.*] Have you any information to give to the Committee on the subject of the various prices of tea in England during the year 1846?—I have taken out the average price of tea during last year, and I make the average price for last year, Bohea, 3*d.*; Congou, 1*s.* 1¾*d.*; Souchong, 1*s.* 3*d.*; flowery Pekoe, 2*s.* 3*d.*; plain orange Pekoe, 10*d.*; scented orange Pekoe, 2*s.*; plain Caper, 7*d.*; scented Caper, 1*s.* 6*d.*; Pouchong, 7*d.*; Ning Yong, 7*d.*; and Oolong, 1*s.* 6*d.*; making an average for black tea of 1*s.* 1¾*d.*

1668. Whence do you derive these prices?—I derive these from the actual prices of 5,000,000 lbs. of tea that were sold by myself, taking the prices and the quantity.

1669. Sold by you at Liverpool?—At Liverpool and in London; I am a partner in a house in London, and therefore I am speaking to teas that I can testify of.

1670. Mr. *Hawes.*] How do you ascertain the average price of the tea?—By taking the quantity of pounds sold at the various prices, and dividing the amount by the total number of pounds.

1671. The average price you have given is the average price in London and in Liverpool?—Yes.

1672. *Chairman.*] It is the average of your own sales of tea?—The average of 5,000,000 lbs. that have passed under my own hands. I can state also the prices of green teas in 1846: Gunpowder, 2*s.* 2*d.*; Imperial, 1*s.* 8*d.*; Young Hyson, 1*s.* 2*d.*; Hyson, 2*s.* 1*d.*; Hyson skin, 7½*d.*; Twankay, 1*s.* – ¾*d.*; making the average price of green tea 1*s.* 6¾*d.* The average price of all the teas, supposing they were all used equally, would be 1*s.* 3*d.*

1673. What is the variation in the price of Congou?—The variation in the price of Congou this year has been from 8*d.* a pound to 2*s.* 2*d.* At the present moment the quantity sold at 2*s.* 2*d.* is very trifling. The variation in the value of Congou is now from 8*d.* to 1*s.* 10*d.*

1674. What portion of the Congou tea is sold at from 8*d.* to 1*s.*?—From 8*d.* to 10*d.*, there was one million sold out of four; from 10*d.* to 1*s.*, there was half a million sold; from 1*s.* to 1*s.* 6*d.*, a million and three quarters; and from 1*s.* 6*d.* to 2*s.* 4*d.*, three quarters of a million.

1675. Mr.

1675. Mr. *J. A. Smith.*] Those are all teas under your control?—They are.

1676. *Chairman.*] What proportion of those teas is Congou?—I am speaking of 4,000,000 lbs. of Congou.

1677. By whom were they consumed, according to your experience as a tea-dealer?—By the public at large. We sell them to the wholesale trade.

1678. You do not know whether they go to the working classes?—They go to all classes. If the Committee wish to know what quality of tea the working classes consume, I can state that the poorer class consume the best tea, because they find it in fact the cheapest. I have stated the average price of black tea to be 1*s.* 1¾*d.*, and of green tea to be 1 *s.* 6¾*d.* The inference which I wish to draw from that is, the great impolicy and injustice of the present heavy duty of 2*s.* 2*d.* on tea. On low Congous at 8*d.*, which is 2*l.* 16*s.* a chest, the duty is not less than 9*l.* 2*s.*; and it necessarily interferes with the extension of the trade, creating a necessity for very much larger amount of capital than would otherwise be required. Where the cost of the article is 3*l.* and the duty on it 9*l.*, of course a remunerating profit both for the interest of money and insurance against risk of losses by bad debts, must be placed on the amount of the duty as well as upon the tea. It brings the duty in effect to no less than 2*s.* 9*d.* a pound. So that the tea that is sold at 8*d.*, before it can come into the shop of the retail dealer costs no less than 3*s.* 5*d.*

1679. Mr. *Cardwell.*] Will you explain how it is that you make the calculation that the duty is raised in effect from 2*s.* 2*d.* to 2*s.* 9*d.*?—By adding a profit of 25 per cent. for the interest of money and the necessary risk attending the payment of the duty; in point of fact, to the wholesale dealer the duty is the largest portion of the cost of the tea.

1680. Mr. *Hawes.*] You say that 8*d.* tea does not reach the retail seller, except at a price of 3*s.* 5*d.* a pound. Is that the selling price, or does he put a profit upon it before he sells it?—That is the cost price to him with the duty, and 25 per cent. added to that duty, and upon that he has to put his profit upon the tea. Or rather, if you take the profit upon tea of the value of 8*d.* at 2*d.*, and the profit upon the duty of 2*s.* 2¼*d.* at 6¾*d.*, the retail dealer would then be able to sell that tea at 3*s.* 7*d.* after getting 25 per cent. profit.

1681. Is it usual upon transactions of that kind, to add 25 per cent. for the advance of money for the payment of duty?—When the wholesale dealer has to give an open credit of three or five months, and he has to run the risk of losses by bad debts, he must have some profit as a guarantee and insurance against those risks.

1682. Do you think it is usual, speaking as a man of business, to add 25 per cent. for the advance of money for the pre-payment of the duty for any article?—I think 25 per cent., between the tea leaving the hands of the importer and reaching the consumer, is a usual advance compared with nearly all other articles.

1683. You say that there is 25 per cent. charged for the advance of money for the payment of the duty?—No, I do not say that. The duty forms a portion of the capital employed in the person's trade, both the wholesale dealer and the retail dealer. He requires a profit upon the duty as much as he does upon the first cost of the tea; and if upon 100 chests of tea, which he could get from the importer for 300*l.*, he has to pay 900*l.* more before it can be put into his warehouse and sent to the shop of the retail dealer, he must have a profit upon 1,200*l.* I think that the profit on the article, after it leaves the hands of the importer and before it reaches the consumer, will generally, one way or another, amount to 25 per cent.

1684. Upon the tea and upon the duty, as a kind of insurance against bad debts, do you mean to say that 25 per cent. is charged?—I mean between the time when it leaves the hands of the importer and the time when it reaches the consumer.

1685. Taking the price of the importing merchant at what?—At 8*d.* Then I put 25 per cent. on that 8*d.* before it comes into the possession of the consumer of the tea, having to pass through the hands of the wholesale trade and the retail trade; to that I add 2*s.* 2¼*d.*, which is the duty; and upon that I add 25 per cent. more, which brings it up to 2*s.* 9*d.*, making the cost 3*s.* 7*d.* to the consumer.

*E. Brodribb*, Esq.

29 April 1847.

1686. You charge 25 per cent. for the advance of money for the payment of the duty?—Yes.

1687. Is it usual in any trade with which you are acquainted to add that rate of interest for payment of duty?—Not for the mere matter of paying the duty. If I were to pay duty for another party which is to be returned to me in a few days, of course I should add no charge to it; but if I am to give the man credit for 1,000 *l.* for three or four months, and to run the chance of the man failing in the meantime, it is not too much.

1688. Viscount *Jocelyn.*] Is not 25 per cent. rather large?—I do not think 25 per cent. is a large profit upon goods passing from the hands of the importer till they reach the consumer. It is the profit arising to all the parties engaged. It is distributed throughout all the grades of the trade between the importer and the consumer.

1689. Mr. *Hawes.*] Twenty-five per cent. upon what sum?—Upon the cost of the tea.

1690. Plus the duty?—The duty is as much the cost of the tea as the tea itself.

1691. Is it upon the gross cost of the duty-paid tea that you add the charge of 25 per cent.?—It is.

1692. Do you add the 25 per cent. both upon the 8 *d.*, the original cost of the tea, and upon the 2 *s.* 2 ¼ *d.* the duty?—Upon both. That 25 per cent. is the profit diffused throughout the whole grades of the trade, between the importer and the consumer of the tea.

1693. Mr. *J. A. Smith.*] You include in that sum the risks of the trade and the expenses of the trade?—Yes, and the remuneration to all parties.

1694. Mr. *Hawes.*] That applies to every article upon which duty is paid?—Yes.

1695. Do you mean to say that an advance of 25 per cent. is usually charged upon the payment of duties?—I mean to say that 25 per cent. profit is the usual profit upon the cost price of all articles sold by wholesale dealers and retail dealers. It is not a charge for advancing the duty.

1696. Mr. *Cardwell.*] You are one of those persons who now receive in the course of your business the 25 per cent. upon the price?—I receive in the course of my business a portion of it, one per cent.

1697. Would you be content to sacrifice the 25 per cent. upon the 2*s.* 2*d.* duty, if you could get rid of the 2*s.* 2*d.*?—No doubt of it.

1698. Mr. *Hawes.*] That is to say, you would not charge interest upon money which you never advanced?—Of course.

1699. Mr. *Cardwell.*] And the trade would be in a more satisfactory position were the duty done away, than it is with the duty and the 25 per cent. charged upon it?—No doubt of it.

1700. Mr. *Hawes.*] That applies to every article?—No doubt of it.

1701. Mr. *Matheson.*] The higher the duty the greater the obstruction to trade which those charges occasion?—No doubt of it. The high charge of the duty on tea I consider one great obstruction to the consumption of tea; in fact I consider that it has the effect almost, in one portion of the trade, of making it a monopoly, by reason of the immense capital which it requires to advance 9*l.* for duty upon an article that costs 3*l.*

1702. *Chairman.*] You consider your interest identified with a great extension of consumption?—Decidedly; I have no object but the general extension of the consumption of tea.

1703. Having stated what you conceive to be the effect of the present high rate of duty upon the consumption of tea in this country, will you now state what you consider to be its effect upon the native shipments of the Chinese?—The high rate of duty is one of the causes of the depreciated prices at which teas sell at present in this market. The value, when realized in this market, of teas shipped on Chinese account, is certainly reduced in consequence of our high duty; and I submit that it is a great injustice to the Chinese, considering that they admit our goods in China at the moderate rate of five per cent. The evil effects of the duty on tea are not confined to our own merchants, but the Chinese themselves are directly affected by it in their shipments on their own account. When the duty has the effect of reducing the value of the article it operates as a direct injustice to the Chinese, taken in connexion with the liberal tariff which they have established.

1704. You

1704. You agree with those witnesses who have stated that the present high duty has the effect of reducing the price?—I do, (in bond,) it has the effect of limiting the consumption in this country; and the consumption being limited, and being not at all adequate to the supply, or, in other words, our supplies being greatly in excess of the demand, the price of tea is depreciated. I believe that no cause operates on the value of tea but the demand and supply. Whatever the price of tea is in China, I think that has no effect whatever on the price of tea in England. The only cause which operates upon the price in England is that of supply and demand. Of course I know nothing of the trade in China.

1705. Mr. *Cardwell.*] The depreciation arises from the large stocks of tea which there are on hand?—Yes; and which cannot be reduced by the present consumption. The consumption cannot be adequately increased with the present duty.

1706. *Chairman.*] Those large stocks would find a vent upon the reduction of the duty?—Yes.

1707. And so relieve the Chinese shipper, as well as the importer in this country?—Yes.

1708. Mr. *Moffatt.*] Are not larger stocks of tea on hand, than of any other article that comes from the east?—The present stock of tea is equal to 15 months' consumption.

1709. That is a larger stock than of any other article you are acquainted with?—It is; and it is an article which injures very materially by keeping.

1710. Mr. *Hawes.*] Was it not the doctrine, that tea imported improved by keeping?—It was; but experience has taught us the contrary. Till the trade was thrown open, we did not know in what condition the tea was immediately on its import. It was never brought forward by the Company immediately on its import.

1711. *Chairman.*] It waited three years, did it not?—It waited two or three years; but I have found that if it is kept a twelvemonth, it falls off very materially in quality.

1712. Was it not said on the part of the Company, that it was a great benefit to keep tea for some time?—It was: whether it arises from any difference in the manner in which the tea was cured I do not know, but we have finer teas than ever we had in the Company's time; and they materially go off in quality by being kept.

1713. Mr. *Matheson.*] What do you consider the finest description of Congou now?—Movning Congou.

1714. What is the English denomination of it?—Pekoe-flavoured Congou.

1715. The wiry blackish leaf is still a favourite?—Yes.

1716. Has not that been ever since the opening of the trade a favourite tea?—Yes, and still continues to be so. There is a description of Congou with which we were not acquainted till some few years ago, Ho How Congous, which are very favourite teas; they form a very large proportion of the consumption, particularly in Ireland and in the north of England. They are more liked than the Moning Congous in those parts.

1717. Viscount *Jocelyn.*] Can you state what is the difference between the price of tea in 1833, the last year of the Company's monopoly, and the present time?—The average price of Congous from 1819 to 1833, was 4 *s.* 11 *d.*

1718. What is the price now?—Three shillings and fourpence. The average sale price of Congou by the Company in 1833 was 2 *s.* 1 $\frac{9}{10}$ *d.*, to which you must add the then duty, 2 *s.* 1 *d.* The price would then be 4 *s.* 2 *d.* against 3 *s.* 4 *d.*

1719. That is a difference of 10 *d.* to the consumer?—To the first purchaser. The consumer would have to pay 25 per cent. profit.

1720. Would not the reduction of the duty to 1 *s.* be very nearly the same as the reduction which has taken place in the price of tea between the last year of the Company's charter and the present time?—It would be nearly double. The difference in the price of tea would be 1 *s.* 6 *d.*, so that the difference would be nearly double.

1721. What has been the increase in the consumption of tea since 1833?—The consumption of tea in 1833 was nearly 32,000,000 lbs. The consumption last year was nearly 47,000,000 lbs. duty paid. In 1830 the quantity on which

*E. Brodribb*, Esq.

29 April 1847.

the duty was paid was 31,829,620 lbs., and last year the quantity duty paid was 47,000,000 lbs. That is 15,000,000 lbs. increase.

1722. Mr. *Harcourt.*] What was the amount imported last year?—The amount imported last year was about 56,000,000 lbs. After the consumption last year of 47,000,000 lbs., there was an addition to the stock of between 8,000,000 lbs. and 9,000,000 lbs.

1723. Mr. *Cardwell.*] Is there any recent instance in which the price of tea, from commercial causes, has declined in the same proportion in which you expect it would decline now if the alteration of duty that is asked for were to be made: in other words, have commercial causes effected about the same reduction in the price of tea, comparing one period with another, which you expect that a diminution of the duty to 1 *s.* would now make?—I think not. In the year 1833 the average price of tea was 5 *s.*, duty paid, of all kinds. The price of Congou now is 3 *s.* 4 *d.* That would make a difference of 1 *s.* 8 *d.*

1724. Mr. *Hawes.*] You could not compare the average price of 1833 with the present average price?—I think not. If we compare the price of Congou in 1833 with the price of Congou now, there is only a difference of 10 *d.*; consequently there has been no reduction which has been so great as would take place if the duty were reduced to 1 *s.*, not within 40 per cent. of it.

1725. *Chairman.*] Have you taken into consideration what the effect of the reduction of the duty to 1 *s.* would be upon the revenue?—A reduction of the duty to 1 *s.* of course would have a material effect in reducing the revenue; but perhaps not so much as might appear at first sight. Any opinion given upon it must be of course a mere matter of conjecture; but if we assume, and I think it is not an unfair assumption, that the same amount of money would be spent in the purchase and consumption of tea as is spent now, that would allow of an increased consumption of 24,000,000 lbs., which would be an increase of 50 per cent. upon the present consumption. Those 24,000,000 lbs. of tea would require the use of about 32,500 tons of sugar, taking it at three pounds of sugar to every pound of tea, which would give an additional revenue of something like 682,000 *l.* from sugar.

1726. Mr. *Hawes.*] What do you take the duty on sugar at?—At 21 *l.*, inasmuch as any additional quantity of sugar to be brought into consumption in consequence of the reduction of the tea duties, would have to be supplied from foreign sugar.

1727. Have you considered the prospective reduction of the sugar duties?—No, I have not; I have calculated it upon the existing sugar duty.

1728. Have you at all considered the probability of an increased supply from our own colonial possessions in the course of this and of ensuing years?—No, I have no means of forming an opinion upon that.

1729. But that would affect the amount of revenue which you have now stated to the Committee as likely to be received, supposing that were to take place; if the supply of sugar from our own colonial possessions were greatly to increase, then a portion of that supply which you have taken to come in as foreign sugar at 21 *s.* a cwt., would come in at 14 *s.*?—Yes; I have calculated it at 21 *l.*, as being all foreign sugar.

1730. Becase you have thought that if any greater demand for sugar should take place, it must come from foreign countries; but if any larger quantity should come from our own colonial possessions, that would diminish the amount of the revenue?—Of course it would reduce the 682,000 *l.* by one-third. In that case, taking the sugar at 14 *s.*, it would show the loss to the revenue upon the first year, supposing the tea increased to the extent of 24,000,000 lbs., to be 1,000,000 *l.* sterling.

1731. That is to say, the present revenue being 5,000,000 *l.*, you think that a reduction of the duty on tea to 1 *s.*, would only produce a loss to the revenue of 1,000,000 *l.*?—Yes.

1732. You think that taking off half the duty, we should only lose one-fifth of the amount of revenue?—Taking into calculation the increased consumption of tea, and the increased revenue from sugar.

1733. What do you estimate the amount of the revenue from tea, in the event of a reduction of the duty to 1 *s.*?—£. 3,450,000.

1734. What do you expect from sugar?—My calculation was 682,000 *l.*, but that reduced by a third would be about 420,000 *l.* That would leave 1,200,000 *l.* deficiency the first year.

1735. Mr.

1735. Mr. *Cardwell.*] Those 24,000,000 lbs. of tea are to be paid for, according to your supposition, by an export of British manufactures?—I suppose they would be paid for in that way.

1736. Have you been able to include, on the credit side of the calculation, the revenue that would be derived from the additional consumption of other customable and exciseable articles by the manufacturers of the articles which are to go in payment for the 24,000,000 lbs. of tea?—I have not entered into a calculation of that.

1737. But of course they would form a very important item, of which the revenue would derive the benefit?—Certainly.

1738. Mr. *Hawes.*] Have you placed on the debit side of your statement the probable increase in the price of tea, in the event of a greatly increased demand arising?—I do not believe that there would be any increase of price.

1739. Mr. *Harcourt.*] Is not your calculation open to this observation, that you suppose that the public would expend the same amount in tea which they expend at present in tea; and you have supposed that they would also lay out a large amount of money in purchasing sugar to use with that tea. Therefore your calculation supposes, that in sugar and tea together they would expend much more than they expend now?—It does suppose that; but against that there is a large sum of money, amounting to 300,000 *l.*, which would be paid in the expenses of the transit of tea to this country in freights and the amount of profits to different trades, amounting to nearly one million of money, which would form a fund, out of which that extra quantity may be purchased.

1740. Mr. *Hawes.*] Supposing the consumption of tea to increase greatly in this country, do you think it probable, from the attention which you have given to the subject, that tea might take the place of spirits and of beer?—I think it would, but not to the extent, probably, of reducing the revenue from spirits and beer. I believe that a larger consumption of tea, or rather a power on the part of the lower classes to get more tea, would have the effect of producing more temperance.

1741. Therefore less spirits and less beer probably would be consumed?—I think that is doubtful, and for this reason: I think that the great increase in the consumption of tea would take place by a class of people who do not drink much spirits and beer; I think it would take place principally in the lower class of women and children; but no doubt it would have an effect.

1742. Mr. *Harcourt.*] In making your calculation as to the effect which the probable increase in the consumption of tea might have upon the revenue, have you excluded from consideration the effect which that increased consumption of tea might have upon the consumption both of coffee and of spirits?—I have.

1743. Mr. *Cardwell.*] Have you found of late years that the increasing consumption of tea has been concurrent with an increasing consumption of coffee?—I have.

1744. Mr. *Baring.*] And of cocoa also?—Yes.

1745. And of sugar?—And of sugar.

1746. Mr. *Cardwell.*] The increasing consumption being not merely an increase in the absolute quantity consumed, but after taking into account the increase in the population, an increasing consumption per head upon the population, has there been at the same time a rapidly increasing consumption of coffee and a rapidly increasing consumption of tea?—I do not think that the increase in the consumption of tea has been beyond the natural increase which you might expect from the increase of the population.

1747. But what effect upon the consumption of tea has the increased consumption of coffee had?—None whatever in retarding it; the increase in tea has gone on concurrently with the increase in coffee and the increase in cocoa. The increase in coffee and in cocoa has been much larger than the increase in tea.

1748. Dr. *Bowring.*] What has been the cause of that?—In consequence of the large reductions in the duties.

1749. Mr. *Cardwell.*] You have been asked with reference to your calculations of revenue, whether you excluded any possible diminution that may hereafter take place in the duties derived from spirits and from malt; would you consider it any objection upon general grounds to an increased consump-

*E. Brodribb*, Esq.

29 April 1847.

tion of tea, that it somewhat interfered with the consumption of spirits?—I should not.

1750. Mr. *Matheson.*] Is it not an acknowledged commercial principle, generally, that an increase in the demand occurring in any market without any increase in the supply, generally raises the price of the article?—I should think so.

1751. Then why did you say just now that you did not think that an increased demand for tea would tend to raise the price?—I ought to have said "immediately." No doubt the price of tea would be raised by an increase in the demand, whenever the demand overtook the supply; but I consider that it would be some time before the demand could overtake the supply.

1752. But with respect to articles in general, is it not found that any additional buyer going into the market occasions a rise in the price immediately; for instance, in the stock market, whenever the Government broker goes into the market as a purchaser, there is an immediate rise in the market?—My experience is that the tea market has not been affected by such causes, except at times when there has been a great demand from speculation.

1753. Mr. *Hawes.*] In fact, has not a steadily increasing demand this effect, to increase and greatly to economise production to meet it?—I think so.

1754. And therefore an increased demand, it being steady and progressive, has not necessarily the effect of raising prices, speaking of long periods of time?—Certainly not.

1755. Mr. *J. A. Smith.*] You assumed in the former part of your evidence that if the duty were reduced to 1*s.*, the increased amount of money applicable to the purchase of tea would enable people to buy an additional quantity of 24,000,000 lbs. of tea; in making that calculation, what price should you put tea at?—I took the amount of consumption for the last year at 46,000,000 lbs., and I considered that the reduction of the duty from the present rate to 1*s.* would effect a saving to the buyers of 1*s.* 6*d.* a pound; 1*s.* 6*d.* a pound on 46,000,000 lbs. would be 3,450,000*l.*

1756. You include the profit in that 1*s.* 6*d.* a pound?—I include the profit in that, because the profit is paid now, and therefore it would be saved.

1757. What price do you put the tea at, at present?—I am taking the reduction to be 1*s.* 6*d.* a pound, with which the price of tea has nothing to do. I take the saving to be 1*s.* 6*d.* a pound upon 46,000,000 of pounds.

1758. In your experience at Liverpool, as you are so near the manufacturing districts, have you observed that in times of commercial pressure and distress there is an increased demand for tea?—I have uniformly observed that in times of great difficulty and distress, when the operatives are thrown out of work, the consumption of tea has increased; and I account for it in this way, that it is often a substitute for more expensive food.

1759. Mr. *Hawes.*] And there is a diminution in the consumption of exciseable articles?—I have never compared the increase in the consumption of tea under such circumstances, with the diminution of exciseable articles at those times.

1760. Mr. *J. A. Smith.*] From those calculations which you read, with regard to the comparative increase in England, Scotland, and Ireland, it appeared that the increased consumption in Ireland and Scotland has been larger in proportion than in England. To what do you attribute that?—With regard to Scotland, as I am not practically acquainted with that country, I can say nothing; but with regard to Ireland, the increase in the consumption of tea at the present moment is very great.

1761. Do you see conclusive evidences of classes of persons beginning to consume tea, who were not accustomed to get it at all?—I think so.

1762. Mr. *Hawes.*] Does that remark apply more particularly to Ireland?—Yes.

1763. And more particularly to Ireland at the present moment?—And more particularly to Ireland at the present moment; I know that since the failure of the potatoe crop, the consumption of tea has very greatly increased. The poorest of the people are very anxious to have it. Thrown entirely upon wheaten stuffs as they are, they are very anxious to have a good wholesome diluent to drink with them.

1764. Mr. *J. A. Smith.*] Has there not been a marked increase in the consumption of sugar in Ireland, since the reduction of the duty?—I believe there

there has; indeed I may state from the authority of a party very largely engaged in the trade, that such has been the case. I do not know it of my own knowledge.

1765. Mr. *Hawes.*] When you say "since the reduction of the duty," from what date do you mean?—Since the equalizing of the sugar duties.

1766. In what year?—Since the reduction of the duty in 1845: and the increase of consumption is going on in a much larger ratio at the present time, since the last reduction.

1767. Mr. *J. A. Smith.*] Has it been more marked since the last reduction than before?—It has. I do not know that of my own knowledge, but I had that from very good authority.

1768. *Chairman.*] As regards the comparative advantages of public sales and private sales of tea, do you conceive that the dealers in tea have a great prejudice now against public sales?—Decidedly; you cannot effect sales by auction.

1769. Can you give any reason for that?—The dealers naturally do not like to have the prices which they pay for their goods exposed.

1770. You would consider that a reason for preferring a fixed duty to an *ad valorem* duty on tea?—An *ad valorem* duty is utterly impracticable; I have no doubt on the subject, from the experience I had of the working of the graduated duties in 1834 and 1835, when Bohea was admitted at 1*s.* 6*d.*, and Congou was admitted at 2 *s.* 2 *d.*

1771. Do you conceive that the disinclination against public sales is so fixed and so great, that if it were obligatory upon the importers of tea to sell it by public sale, it would interfere materially with the consumption?—I have no doubt that it would throw back the consumption of tea to what it was before the East India Company's charter was abolished.

1772. Mr. *Harcourt.*] You have stated that the consumption of tea has not increased so rapidly as the consumption of coffee; have you any doubt that that effect with regard to tea has been produced in some degree by the increased consumption of coffee?—I think it has been produced altogether by the price of tea.

1773. On what grounds do you draw that conclusion?—I think that the class of persons who use coffee are not those who use tea; I do not think that persons that have been in the habit of using coffee would give up coffee and use tea; nor do I think that those who do not use coffee or tea either, would be prevented from using tea if it were cheaper.

1774. Mr. *Moffatt.*] Is it your belief that there are large classes of people now who would use tea, but who do not use it on account of the high price?—It is; there are a number of people who are very glad to get spent leaves from families, or the tastings from our office, who if they could afford to purchase tea would be very glad to do it. I believe there is an immense quantity of tea leaves that have been used re-dried and broken up, and mixed with tea to make weight for the purpose of reducing the price. The duty is so enormous that every means that can be used to reduce the cost price is resorted to, and therefore the high duty does to a certain extent neutralize its own object.

1775. It operates disadvantageously upon the revenue?—It operates very disadvantageously in rendering the quality of tea inferior; so much so as to prevent persons from drinking tea, who would otherwise drink it, if the quality was good. I quite agree in the evidence which Mr. Roberts gave to that effect, that consumers of tea, on account of its bad quality, will give up its use as they did at Norwich; and that, on the introduction of a good quality again, they will resume it. There is an immense mass of damaged tea, which is sold at merely nominal prices, varying from a farthing a pound up to 3*d.* or 4*d.*; all of that is purchased with the view of the retail dealers getting it for merely the duty, and using it up to reduce the cost price, by which means they deteriorate the quality so much as to have a very serious effect upon the consumption of it.

1776. Dr. *Bowring.*] Can you form any estimate of the extent to which the adulteration of tea is practised?—I cannot, but it is very considerable.

1777. Mr. *Hawes.*] Did the price of this damaged tea, to which you refer, enter into the average price which you have stated in the early part of your evidence?—No; in the table which I have given, I have taken no tea under 8*d.* a pound.

1778. Mr. *J. A. Smith.*] Can you give any estimate of the different amount of consumption between, for instance, a domestic servant who receives an

*E. Brodribb*, Esq.

29 April 1847.

allowance of so much tea per week, and the ordinary consumption per head of a labouring man; can you state how much is allowed to domestic servants, per head per week?—I do not know exactly; I believe it is a quarter of a pound a week; it is 13 lbs. a year. The consumption of a labouring man who used it at all would be something like three pounds and a half.

1779. *Chairman.*] You have stated that in times of distress the consumption of tea has increased; is it not likely, for the same reason, that people even in ordinary times, who are in distressed circumstances, would consume a greater portion of tea if the price were reduced?—It is.

1780. And you consider that in that case a large class of consumers, not yet called into existence, would come forward in case of a reduction of the price?—Yes.

1781. Mr. *Moffatt.*] You stated that you estimated that the loss to the revenue, by a reduction of the duty to 1 *s.*, would be 1,200,000 *l.*; do you mean the Committee to understand that you believe that would be a permanent loss?—No, the loss for the first year. I was going to call the attention of the Committee, as a corroboration of my calculation, to the consumption which has really taken place in the Isle of Man since the alteration of the duty there, which might have been adopted as a mode of experiment of the effects which a reduction of the duty would have in this country. The first year it increased 50 per cent., and at the present time the consumption has doubled since the duty was altered.

1782. Dr. *Bowring.*] To what period are you referring?—I am referring to July 1846.

1783. Mr. *Hawes.*] That calculation is founded upon Custom-house documents?—Yes.

1784. Therefore it relates entirely to duty-paid tea?—Yes.

1785. Mr. *Moffatt.*] Have you made any calculation as to when you believe the revenue would recover itself to its present point, if the duty on tea were reduced to 1 *s.* a pound?—I think it would recover itself in the second year; within two years of the alteration.

1786. Dr. *Bowring.*] You think that the experiment could be made with the loss of only 1,200,000 *l.*?—With the risk of 1,200,000 *l.* for one year; I think that the consumption of tea in two years would double its present amount.

1787. *Chairman.*] Would the revenue then be restored to its present amount?—The proportion would be as 2*s.* is to 2*s.* 2*d.* In the third year, I believe, it would be greatly increased.

1788. Dr. *Bowring.*] You believe that in the third year, with 1*s.* duty, the revenue would receive a greater sum than it does at present?—I do.

1789. And that in the fourth year it would be still more augmented?—I do, if the supply could be kept up to the demand.

1790. Sir *G. Staunton.*] You alluded to the adulteration of tea; do you believe that it is adulterated with the leaves of any plant or tree grown in this country?—No, I do not. With damaged tea, I consider, chiefly.

1791. *Chairman.*] You are not of opinion that senna leaves enter into it?—I have never known it.

1792. Mr. *Harcourt.*] Mr. Fortune, in his book, states that the difference between black and green tea consists, not in the difference of the shrub, but that the green tea is dyed; does the difference in the price in this country between black and green tea consist chiefly in the expense of dyeing?—Black and green tea in this country now are sold much at the same prices; you can buy green tea at 8*d.* a pound, and you can buy black tea at 8*d.* a pound; you can buy fine black tea at 2*s.* 2*d.* a pound, and you can buy fine green tea at 2*s.* 2*d.* There is a great deal of black tea that is coloured green in China, but its value is not thereby increased. There is a great deal of black tea coloured in this country. There is a great deal of tea made up in small round leaves to represent gunpowder, coloured with magnesia.

1793. Is that a Chinese process?—No, it is an English process; it is coloured with magnesia; turning tea the market value of which is 1*s.* 6*d.* into tea which, according to the appearance of it, would be worth 3*s.* 6*d.* or 3*s.* 8*d.* A broker was shown, to my knowledge, a sample of tea last year coloured in that way, and he valued it at a price from 1*s.* 2*d.* to 1*s.* 4*d.* beyond what the tea itself cost, merely in consequence of its having been subjected to that process.

1794. Dr.

1794. Dr. *Bowring.*] Would the possibility of such things being done afford an additional argument against an *ad valorem* duty?—Of course that would add a serious impediment to imposing an *ad valorem* duty. That would be one means of defrauding the revenue.

1795. Mr. *Harcourt.*] The Chinese process of colouring is stated to be first turmeric, which turns the tea yellow, and then Prussian blue and gypsum, which turns the yellow into green; is that process ever used in England?—I do not think at the present time it is, as the tea so coloured would not be more valuable than the common black tea; but in former times, when common Twankay tea was worth much more than common Congou, I believe that process was resorted to. With regard to green teas, I believe the effect of the present high duty is to deprive us of some of the best green teas that are grown in China; the consumption of America consists principally of green tea; it being admitted into that country duty free, they can afford to give prices for it in China which our importers cannot afford to give for it when 2*s.* 2*d.* a pound has to be added to the price, and the duty consequently deprives this country of the best kind of green tea which is produced in China.

1796. *Chairman.*] With regard to the mode of collecting the revenue, you have given an opinion against an *ad valorem* duty; what is your opionion of a discriminating duty?—I think that a discriminating duty would be attended with the same difficulties with which it was attended in 1834 and 1835, when it was obliged to be abandoned. I think that it would be impossible to impose a discriminating duty; for if you make the duty vary according to the kind of tea, the kind can be altered in China; and if you assess it according to the quality, the quality may be so reduced as to come under the lowest rate imposed, and it would operate as a premium upon the introduction of inferior qualities of tea.

1797. Viscount *Jocelyn.*] Have you made any comparison between the amount of tea that was formerly consumed, and the amount that has been consumed since the great increase in the consumption of coffee from the reduction of the duty?—I have: on referring to Mr. Porter's Tables I find that in 1801 the consumption of coffee was 1 oz. per head, and the consumption of tea was 1 lb. 3 oz. per head. In 1841 the consumption of coffee had risen from 1 oz. to 1 lb. 7 oz. per head, and it had not operated to prevent a progressive increase in the consumption of tea, for the consumption of tea had increased from 1 lb. 3 oz. to 1 lb. 5 oz. per head; the inference I draw from that is this, that if the increase of coffee from 1 oz. per head to 1 lb. 7 oz. did not throw out of consumption tea, a further increase in the consumption of tea would not throw out of consumption coffee.

*Thomas Augustus Gibb*, Esq., called in; and further Examined.



1798. Mr. *Hawes.*] IN the course of your examination the other day, I asked you this question: "Your complaint is a special one; you were one of the original purchasers, invited to purchase land, for which the terms were subsequently to be agreed upon. What you now complain of is, that the rent was fixed at a high figure, which was determined by an artificial and collusive sale:" to which your answer was, "perfectly." Then in answer to a question of the Chairman's, you stated, "it was a fictitious purchase, for he was allowed to repudiate afterwards any lots that he might think fit. That is a fact which I am prepared to prove by evidence"?—That is my answer. I did not mean to say that I was prepared to prove it by evidence I could myself get, for I do not know whether or not there are parties whom I could call to prove it, unless the Committee will summon the parties who are aware of the fact.

1799. Mr. *Moffatt.*] There are letters in this country to bear out the fact?—Yes, I have no doubt that it can be well borne out.

1800. Mr. *Hawes.*] Will you state the nature of the evidence which you could produce?—The data from which I gave my evidence were derived from Mr. Strachan himself.

1801. Who is Mr. Strachan?—He was at that time a clerk in the house of Gemmell & Co.

1802. What was their business?—They were general merchants, and he was a clerk in that house.

1803. Was he or was he not a builder?—No, that was a brother; the Strachan I allude to was a clerk in Gemmell's house.

*T. A. Gibb*, Esq.

29 April 1847.

1804. Did the Mr. Strachan you speak of purchase any lots of land?—The Strachan I am speaking of purchased 15 lots of land.

1805. Mr. *Spooner.*] What was his christian name?—I do not know: one of the Strachans was an architect, and the other was a clerk in the house of Messrs. Gemmell & Co.; there was only one employed by the house of Gemmell & Co.; I can supply his christian name.

1806. Mr. *Hawes.*] He bought 15 lots; were those lots of which he had himself run up the price?—I do not know whether he had run up the price of those lots, but he bid for 15, and got the lots; he bid against the others who had purchased lots.

1807. Did he pay more than the upset price?—I do not know, but I believe not; the other lots, I think, did not go above the upset price.

1808. You bought some lots, did you not?—Never.

1809. Have you never bought any lots of land?—Never; I had some lots of land appropriated to me.

1810. Were not some of the lots that you purchased made the subject of inquiry by a committee in Hong Kong?—I am not aware of the fact.

1811. Were you not a party to a remonstrance made to Sir Henry Pottinger with regard to the sales of certain lots of land?—Certainly; it is to that remonstrance that my memory carried me back, when I stated that the circumstance of this sale being a fictitious one was represented either to the Hong Kong authorities, or to the authorities in England.

1812. I will for the present leave that question of representation to the authorities; but were you not a purchaser of some lots at that time: I am speaking now of a time previous to the 26th of June 1843?—I cannot call to mind that I ever bought a lot in Hong Kong in my life.

1813. Are you speaking of yourself individually, or of the firm?—Of the firm. I cannot call to mind that I ever bought a lot; the lots that I and my partner now possess in Hong Kong, were allotted to us by Mr. Johnson.

1814. You bought them?—Mr. Johnson allotted several lots to us, on the understanding that we were to pay a rental which was to be fixed by the British Government hereafter.

1815. You took certain lots of land?—Yes.

1816. And held certain lots of land?—Yes; but I beg to remark that I did not bid for them at any public sale.

1817. Mr. *Matheson.*] Did you give any purchase money for them?—No.

1818. Mr. *Hawes.*] Those lots were to be subject to certain conditions to be thereafter decided upon?—Yes.

1819. Who purchased any lots at the public sale, the prices of which were collusively run up?—I have with me a paper giving the names. I should beg to remark, that when I was examined the last time on this question, I was taken a little by surprize, and I made a little error in the figures; but the fact I called to the notice of the Committee then, I now adhere to as to the collusive way in which the sale was run up. This I believe is a paper which was published under the authority of the Government at that time; and this is the sale to which I referred.

1820. Was it on the 26th of January 1844?—Yes; I think that was the first land sale after the peace.

1821. That was the sale you referred to?—It was.

1822. Is there any other sale that you referred to?—No; that is the only one.

1823. The only one at which this collusive agreement between the land officer, Mr. Gordon, and Mr. Strachan was made?—Yes.

1824. The parties who bought at this sale paid, according to your view, an unfair price?—That is the view I take of it.

1825. Was or was not the state of things at this time at Hong Kong, that parties who wished not to take lots at any particular sale, and who disputed the price of them, were allowed to have the price of those lots fixed at the average price of similar land at the subsequent sale?—I am not aware; this was the only sale that I paid any attention to; and I am not aware of the circumstance to which you refer.

1826. This circumstance which I have referred to you do not remember?—No. I should beg to observe that I was not in Hong Kong for any time after that sale; I was absent from Hong Kong for the greater part of the time.

Three

Three or four months was the longest time that I continued there after the collusion between Mr. Strachan and the land officer.

1827. Mr. Gordon?—I presume it was Mr. Gordon who was land officer at that time.

1828. Your charge is confined entirely to that one sale?—Yes.

1829. Is there any evidence within your reach within any reasonable time that you could place before the Committee to sustain that charge?—The Committee have power to send out instructions to examine Mr. Strachan, the party directly implicated.

1830. Mr. *Matheson.*] Is Mr. Strachan in this country?—No, he is still in Hong Kong; and in addition to what I have stated, I would observe that he has adopted a certain number of those lots, those that suited him, and the rest have lapsed to the Government without any fine or penalty of any kind being inflicted upon him.

1831. Mr. *Hawes.*] You mean to say that Mr. Strachan has repudiated certain lots?—Yes. The terms of that sale were not advertised; they were merely read in the sale room when the sale took place; the only part that I could catch with regard to the conditions was, that the lots were to be put at a ground rent, subject to a tenure of 75 years, after which the buildings and everything were to lapse to the Crown; six months' rent upon each lot was to be paid in advance; the parties were required to erect on each lot buildings equal in value to 10 years' rental. Some of the lots were repudiated by Mr. Strachan; he has not paid six months rent in advance, nor has he expended 10 years' rental upon them.

1832. You think, then, that Mr. Strachan has thrown up several lots which he purchased?—Yes.

1833. Do you know how many lots Mr. Strachan purchased?—No, I do not. I think you will find, from this paper, that the number is 15 for Mr. Strachan. (*The Witness referred to the Paper.*) There are 15 for "Strachan," and "2 E. Strachan;" that is his brother.

1834. We may assume, then, that Mr. Strachan the clerk bought 15 lots?—Yes.

1835. Mr. *Matheson.*] Mr. Strachan told you that he was to be allowed this indulgence?—Yes.

1836. Do you know whether he made the same statement to any other persons?—I am not aware; but the circumstance got bruited about in Hong Kong, and created a good deal of stir there; even in the newspaper there were comments upon it, upon which Mr. Strachan got frightened, and came to me to ask my advice upon the subject.

1837. Mr. *Hawes.*] You do not know the christian name of that Strachan?—I do not, but I think it is Robert.

1838. I understand you to say that there were no conditions annexed to the sale?—I have read the only conditions; they were not advertised; they were read over in the room by the legal officer.

1839. Before you bought this land you were aware that there were certain Government provisions relative to the sale of the land, and conditions with regard to the purchaser of the land?—Yes; the first notification that we had of the land was given on the 19th of December 1843, and it was sold on the 22d of the following January.

1840. I have here a notification of the date of the 21st of August 1843; is that the same?—I do not know; the only notice I ever saw was the notice of the 19th of December, and I do not remember that any conditions were published in that notice; it was merely said that the conditions would be notified at the time of the sale.

1841. Where did the notice that you speak of on the 19th of December 1843 appear?—It appeared in the only newspaper we had then at Hong Kong, "The Friend of China."

1842. Put forth by authority?—Yes; it is called the Government Gazette.

1843. I understand you to say, that at this particular sale Mr. Strachan ran up lots, became the purchaser of them, and was afterwards allowed to repudiate them?—Yes, he has been allowed to repudiate what lots he chose to repudiate.

1844. Did he pay any deposit?—He told me that he did not pay a fraction.

1845. He was bound to pay a deposit?—All the purchasers ought to have paid a deposit, but I presume, Mr. Strachan not being called upon, they felt

*T. A. Gibb*, Esq.
29 April 1847.

that they could not call upon any one else. I am desirous of bringing another circumstance to the notice of the Committee; the gentleman employed by the Government with whom the transaction took place is now in England, and you can therefore refer to him.

1846. Who is that gentleman?—Mr. Bruce, who was then acting colonial secretary. The circumstance which I wish allude to is the case of Captain Bird. Captain Bird's house was required by the Government in the improvement of the town of Victoria, and after some communication with the Government, to try to come to terms with Captain Bird for his house, they agreed that it should be referred to arbitration. Captain Bird applied to me to act as arbitrator on his part; my name was accepted by the Government to meet Mr. Cleverly, who was then acting land officer, and we had power to call in an umpire if we did not agree upon the value. I acted under a letter addressed to Captain Bird by the colonial treasurer and secretary, Mr. Bruce. I knew nothing of the value of Captain Bird's house, till he placed the whole of the documents before me, showing the cost to him of the house, and the rental which he then got from it. I went carefully over the whole of the documents, and I estimated the value of the house at 12,100 or 12,200 dollars; it was over 12,000 dollars. I laid the whole of those documents before Mr. Cleverly, who went into it; he fancied that I had put down a larger amount as compensation to Captain Bird than was correct, and he could not satisfy himself that it was just; he requested that I would allow him to take the papers relating to Captain Bird's house to his own house for three or four days, that he might look into them, and satisfy himself upon it. He had those papers for the space of three days, and on his returning the papers he stated that in his opinion my value was correct, and that he should be happy to join me in an award to that effect, and accordingly an award was sent in to the Government amounting to 12,100 or 12,200 dollars. We perfectly agreed upon the equity of the claim to that amount. There was no reply made to us, but the reply made to Captain Bird was a reply repudiating our award, and offering to Captain Bird a sum of 8,000 dollars, which was two-thirds of the amount which we had awarded to him, and stating that if he did not comply with those terms, they gave him notice to quit the house, and referred him to the Home Government for compensation. Captain Bird sent that paper to me. I wrote back to him to say that I thought there was something so incredible in an act of that kind, that I must decline having anything more to do with it. Captain Bird then came personally to me, and I told him that the best advice I could give him was to accept the offer of the Government; as, before he could get any decision from the Home Government, as Captain Bird was a poor man, it might be his ruin; and Captain Bird accepted the 8,000 dollars, though the award of the Government officer and myself was 12,100 or 12,200 dollars. Mr. Bruce is in this country, and can affirm or contradict the statement I now make.

1847. Mr. *Matheson.*] Was any protest recorded?—No, it was of no use.

1848. Mr. *Hawes.*] Who was governor at this time?—Sir John Davis.

1849. With a view to further investigation, probably it would not be inconvenient to you to attend at some future day?—Any day convenient to the Committee.

*Christopher Rawson*, Esq. called in; and Examined.

*C. Rawson*, Esq.

1850. *Chairman.*] YOU are a Merchant at Liverpool?—I am.

1851. Upon what point are you principally able to speak with regard to the question of the tea duties?—Particularly the prices obtained for goods in China; if you will allow me I will first put in some statistics showing the amount of exports of cotton goods.

1852. Whence do you derive those statistics?—The greater part of them are from official returns, and the others are made up regularly in our own office.

1853. From what sources?—From the manifests of the ships as they are cleared.

1854. Those relate to your own articles of trade?—I am now alluding to the great staple articles, cotton goods, cotton yarn, and woollens. We have the manifest of every ship that leaves the port of Liverpool. This paper shows the enormous increase that there has been progressively in the shipment of plain cottons and cotton yarns to China.

[*The Witness delivered in the Paper, which is as follows:*]

## EXPORT OF PLAIN COTTONS.

(IN YARDS.)

| | 1829. | 1830. | 1831. | 1832. | 1833. | 1834. | 1835. | 1836. |
|---|---|---|---|---|---|---|---|---|
| | East India Company's Charter. | | | | | | | |
| To China - - - | 910,000 | 600,000 | 1,732,000 | 2,262,776 | 4,492,563 | 5,699,106 | 10,356,047 | 13,049,250 * |
| „ Calcutta - - | 6,957,000 | 9,736,000 | 7,125,000 | 5,776,000 | 8,639,000 | 9,267,000 | 10,129,000 | 15,773,000 |

| 1837. | 1838. | 1839. | 1840. | 1841. | 1842. | 1843. | 1844. | 1845. | 1846. |
|---|---|---|---|---|---|---|---|---|---|
| * 10,567,120 | 23,063,784 | 20,567,207 | 21,355,763 | 22,541,855 | 19,358,120 | 42,774,430 | 83,182,791 | 112,372,565 | 76,035,749 |
| 14,510,000 | 14,409,000 | 23,645,000 | 33,614,000 | 34,517,000 | 53,046,000 | 83,586,000 | 79,843,000 | 79,292,000 | 101,098,313 |

## EXPORT OF COTTON YARN.

(IN POUNDS.)

| | 1829. | 1830. | 1831. | 1832. | 1833. | 1834. | 1835. | 1836. |
|---|---|---|---|---|---|---|---|---|
| | East India Company's Charter. | | | | | | | |
| To China - - - | 500,000 first shipment. | 380,000 | 955,000 | 383,600 | 400,000 | 901,120 | 2,344,482 | 3,155,769 * |
| „ Calcutta - - | 1,188,000 | 2,876,000 | 3,481,000 | 1,468,000 | 1,677,000 | 1,719,000 | 2,427,000 | 3,538,000 |

| 1837. | 1838. | 1839. | 1840. | 1841. | 1842. | 1843. | 1844. | 1845. | 1846. |
|---|---|---|---|---|---|---|---|---|---|
| * 1,845,977 | 3,733,580 | 1,588,500 | 3,419,560 | 2,914,250 | 4,485,856 | 6,210,393 | 3,177,800 | 2,472,720 | 4,672,080 |
| 4,284,000 | 4,969,000 | 5,578,000 | 8,858,000 | 6,736,000 | 6,391,000 | 9,085,000 | 11,533,000 | 9,681,349 | 15,958,784 |

The shipments to China during the first four months of 1847 were, of plain cottons - - 25,793,843 yards.

Against same period - - - 1846 - - - - - - - 27,808,057 „

And - - - 1845 - - - - - - - 41,650,590 „

*Memorandum.*—Up to 1842, the statement includes the shipments from London to China, as well as from Liverpool: but subsequent to that date, the quantity being trifling, no record of them was kept, and the shipments thenceforward are from Liverpool only. The Calcutta statement is confined to Liverpool throughout.

*C. Rawson*, Esq.

29 April 1847.

1855. It appears that in 1846 the export of plain cottons to China was only 76,035,749, as compared with 112,372,565 in 1845; to what do you attribute that decrease?—To the losses generally in the trade. I would refer as proof of that to the trade with Calcutta; there has not been any corresponding decrease in that trade; on the contrary, the export of the same goods to Calcutta, as will be seen from this Paper, has increased considerably in amount in the last year, and it is still increasing. It appears that in 1846 the export of plain cottons to China had decreased to 76,000,000, as compared with 112,000,000 in 1845, being a decrease of 36,000,000; which 36,000,000 I find on inquiry represents the labour of about 3,000 people during the whole year.

1856. Mr. *Spooner*.] There was the labour of 3,000 people less exported in 1846 than in the preceding year?—Yes, in that article alone; and this decrease is still going on. In the first three months of this year, up to the 1st of April, the shipments are only 16,000,000, as against 18,000,000 of yards last year, and 21,000,000 the year before; so that the trade is still decreasing. I have another Paper, showing the exports of woollens to China from 1828, which was during the existence of the Company's charter, to 1839, divided into cloth, long-ells, and camlets; and another Paper, giving the shipments of woollens to China from 1835 to the present time.

1857. *Chairman*.] From what ports were those shipments?—From London and Liverpool exclusively.

[*The Witness delivered in the Papers, which are as follows:*]

EXPORT of Woollens to *China*.

| | East India Company's Charter: | Pieces. | Pieces. |
|---|---|---|---|
| 1828 | Cloth | 15,150 | |
| | Long Ells | 37,460 | |
| | Camlets | 1,070 | |
| | | 53,680 | |
| | By American ships | 13,810 | |
| | | | 67,490 |
| 1829 | Cloth | 38,352 | |
| | Long Ells | 120,340 | |
| | Camlets | 12,000 | |
| | By Americans, none. | | 170,692 |
| 1830 | Cloth | 37,134 | |
| | Long Ells | 98,360 | |
| | Camlets | 7,840 | |
| | By Americans, none. | | 143,334 |
| 1831 | Cloth | 31,200 | |
| | Long Ells | 140,000 | |
| | Camlets | 12,000 | |
| | | 183,200 | |
| | By American ships | 8,000 | |
| | | | 191,200 |
| 1832 | Cloth | 49,680 | |
| | Long Ells | 144,000 | |
| | Camlets | 6,000 | |
| | | 190,680 | |
| | By American ships | 6,008 | |
| | | | 196,688 |
| 1833 | Cloth | 40,008 | |
| | Long Ells | 150,660 | |
| | Camlets | 5,000 | |
| | | 195,668 | |
| | By American ships | 55,562 | |
| | | | 251,230 |

| | Free Trade: | Pieces. | Pieces. |
|---|---|---|---|
| 1834 | London, statement not kept | — | |
| | Liverpool, all sorts | 48,474 | |
| | | | 48,474 |
| 1835 | London, Cloth | 33,687 | |
| | Long Ells | 121,710 | |
| | Camlets | 6,972 | |
| | | 162,369 | |
| | Liverpool, all sorts | 74,837 | |
| | | | 237,206 |
| 1836 | London, Cloth | 55,419 | |
| | Long Ells | 81,190 | |
| | Camlets | 14,048 | |
| | | 150,657 | |
| | Liverpool, all sorts | 72,782 | |
| | | | 223,439 |
| 1837 | London, Cloth | 14,300 | |
| | Long Ells | 50,400 | |
| | Camlets | 11,653 | |
| | | 76,353 | |
| | Liverpool, all sorts | 23,755 | |
| | | | 100,108 |
| 1838 | London, Cloth | 21,351 | |
| | Long Ells | 91,734 | |
| | Camlets | none | |
| | | 113,085 | |
| | Liverpool, all sorts | 55,761 | |
| | | | 168,846 |
| 1839 | London, Cloth | 15,784 | |
| | Long Ells | 72,651 | |
| | Camlets | 1,100 | |
| | | 89,535 | |
| | Liverpool, all sorts | 23,527 | |
| | | | 113,062 |

SHIPMENTS of WOOLLENS to *China* from *London* and *Liverpool*, from 1835 to the present Time.

| | Pieces, Long Ells. | Pieces, Camlets. | Pieces, Spanish Stripes. | Pieces, Stuffs. | Pieces, Inferior Woollens. | TOTAL Quantity. |
|---|---|---|---|---|---|---|
| In the year 1835 - - | 137,000 | 8,371 | 58,416 | 8,625 | - - | 212,412 |
| „ 1836 - - | 138,682 | 19,762 | 65,720 | 13,470 | - - | 237,634 |
| „ 1837 - - | 52,720 | 13,885 | 19,222 | 12,826 | - - | 98,653 |
| „ 1838 - - | 110,770 | 4,409 | 38,279 | 11,515 | 14,536 | 179,509 |
| „ 1839 - - | 63,120 | 1,460 | 24,795 | 1,869 | 4,875 | 96,119 |
| „ 1840 - - | 101,720 | 2,730 | 32,567 | 2,694 | 394 | 140,105 |
| „ 1841 - - | 51,060 | 635 | 38,885 | 1,806 | 7,040 | 99,426 |
| „ 1842 - - | 51,880 | 2,960 | 12,278 | 1,440 | 274 | 68,832 |
| „ 1843 - - | 93,930 | 11,941 | 44,403 | 2,360 | 7,793 | 160,427 |
| „ 1844 - - | 109,994 | 21,763 | 50,403 | 8,143 | 13,385 | 203,688 |
| „ 1845 - - | 93,510 | 15,253 | 58,515 | 7,525 | 10,294 | 185,097 |
| „ 1846 - - | 75,000 | 8,759 | 52,963 | 5,750 | 9,202 | 151,674 |
| To the 22d April 1847 - | 34,460 | 2,070 | 21,802 | 1,108 | 3,230 | 62,770 |

London, 22 April 1847. *Hayter & Howell.*

These Papers show the very large decrease that there has been in the export of woollens during the last three years.

1858. Has the camlet trade diminished?—It has decidedly diminished lately.

1859. Is it much less than it was under the East India Company?—Yes; the largest amount of export under the East India Company was in 1829; it was in that year 12,000 pieces; it was 19,000 in 1836, and in 1846 only 8,000.

1860. Have you any other Paper upon this subject?—I am now prepared to prove that since 1844 the prices obtained for the great staple article, that is grey shirtings, at Shang-hai and Canton, have almost always been remunerative, and that, therefore, the decrease in the shipments has not arisen from losses on the sale of the goods in China. I take the price in the Manchester market in January 1844 at 9 *s.* 9 *d.* for a piece of what we call 72-reed shirtings; that would arrive in China in June 1844, and the prices then quoted were 3 dollars 75 cents, which turned into sterling at the exchange of 4 *s.* 6 *d.*, would be 16 *s.* 10 ½ *d.*, leaving a net remittance of 14 *s.* 3 *d.* In the same way, grey shirtings, worth 11 *s.* in April 1844, would return 13 *s.* 2¼ *d.* in September; and in the same way with respect to the others.

[*The Witness delivered in the Papers, which are as follows:*]

*C. Rawson*, Esq.

29 April 1847.

## GREY SHIRTINGS.

(SHANG-HAI.)

| DATE of SHIPMENT. | Manchester Price of one Piece Shirtings, 72 Reed. | Date of Sale. | Prices Realized, per Piece. | Turned into Sterling at Exchange 4 *s.* 6 *d.* per Dollar. | Net Remittance, including all Charges in England, as well as Duty and Charges in China. |
|---|---|---|---|---|---|
| 1844: | *s.* *d.* | 1844: | $. *c.* | *s.* *d.* | *s.* *d.* |
| January - - | 9 9 | June - - | 3 75 | 16 10½ | 14 3 |
| April - - - | 11 — | September - | 3 50 | 15 9 | 13 2¼ |
| July - - - | 10 6 | December - - | 3 50 | 15 9 | 13 2¼ |
| | | 1845: | | | |
| October - - | 10 — | March - - | 3 50 | 15 9 | 13 2¼ |
| 1845: | | 1845: | | | |
| January - - | 10 3 | June - - | 3 40 | 15 3½ | 12 9¼ |
| April - - - | 10 4½ | September - | 3 15 | 14 2 | 11 8½ |
| July - - - | 10 6 | December - - | 3 20 | 14 4¾ | 11 11¼ |
| | | 1846: | | | |
| October - - | 10 3 | March - - | 3 20 | 14 4¾ | 11 11¼ |
| 1846: | | 1846: | | | |
| January - - | 9 9 | June - - | 3 00 | 13 6 | 11 1 |
| April - - - | 9 6 | September - | 2 95 | 13 3¼ | 10 9¾ |
| July - - - | 9 3 | December - - | 2 95 | 13 3¼ | 10 9¾ |
| October - - | — | | | | |

*N.B.*—The duty in China is 14 cents. per piece, or at 4 *s.* 6 *d.*=7½ *d.* per piece.

## COTTON TWIST.

(CANTON.)

| DATE OF SHIPMENT. | Price in Manchester, No. 20, per Pound. | Date of Sale. | Prices Realized, per Picul. | Turned into Sterling at Exchange 4 *s.* 4 *d.* per Dollar. | Net Remittance, including all Charges in England, as well as Duty and Charges in China. |
|---|---|---|---|---|---|
| 1844: | | 1844: | $. *c.* | | |
| January - - | 8¼ *d.* per lb. | June - - | 22 50 | 8¾ *d.* | 6¾ *d.* per lb. |
| April - - - | 7¾ *d.* „ | September - | 24 — | 9⅜ *d.* | 7¾ *d.* „ |
| July - - - | 7⅝ *d.* „ | December - - | 24 — | 9⅜ *d.* | 7¾ *d.* „ |
| | | 1845: | | | |
| October - - | 7¾ *d.* „ | March - - | 26 — | 10⅛ *d.* | 8 *d.* „ |
| 1845: | | 1845: | | | |
| January - - | 8 *d.* per lb. | June - - | 27 50 | 10⅝ *d.* | 8½ *d.* per lb. |
| April - - - | 8⅜ *d.* „ | September - | $27 to $28 | 10½ *d.* to 10⅞ *d.* | 8⅜ *d.* to 8¾ *d.* |
| July - - - | 8¾ *d.* „ | December - - | $30½ to $31½ | 11⅞ *d.* to 12¼ *d.* | 9⅝ *d.* to 10 *d.* |
| | | 1846: | | | |
| October - - | 9 *d.* „ | March - - | $32½ to $33½ | 12⅝ *d.* to 13⅛ *d.* | 10⅜ *d.* to 11¾ *d.* |
| 1846: | | 1846: | | | |
| January - - | 8¼ *d.* | June - - | 31 — | 12⅛ *d.* | 9⅞ *d.* |
| April - - - | 7⅝ *d.* to 8½ *d.* | September - | 28 — | 10⅞ *d.* | 8¾ *d.* |
| July - - - | 7⅝ *d.* | December - | 29 — | 11¼ *d.* | 9⅛ *d.* |
| October - - | 8¼ *d.* | - on February 28, 1847. | 30 — | 11¾ *d.* | 9⅜ *d.* |

## GREY SHIRTINGS.

(CANTON.)

| DATE of SHIPMENT. | Manchester Price of one Piece Shirtings, 72 Reed. | Date of Sale. | Prices realized. | Turned into Sterling. | Net Remittance, including all Charges in England, as also Duty and Charges in China. |
|---|---|---|---|---|---|
| 1844: | *s. d.* | 1844: | *d.* *s. d.* | *s. d.* | *s. d.* |
| January - - | 9 9 | June - - | 3 19/100 a' ex. 4 2 | 13 3½ p' piece | 10 11½ p' piece. |
| April - - | 11 – | September - | 3 20/100 „ 4 3 | 13 7 „ - | 11 3 „ |
| July - - | 10 6 | December - | 3 24/100 „ 4 5 | 14 3¾ „ - | 11 11 „ |
| | | 1845: | | | |
| October - - | 10 – | March - - | 3 30/100 „ 4 4 | 14 3½ „ - | 11 10 „ |
| 1845: | | 1845: | | | |
| January - - | 10 3 | June - - | 3 10/100 a' ex. 4 3 | 13 2 p' piece | 10 9¾ p' piece. |
| April - - | 10 4½ | September - | 3 05/100 „ 4 4 | 13 7½ „ - | 11 2½ „ |
| July - - | 10 6 | December - | 3 05/100 „ 4 5 | 14 4¼ „ - | 11 11¾ „ |
| | | 1846: | | | |
| October - - | 10 3 | March - - | 3 25/100 „ 4 5 | 14 4¼ „ - | 11 11¾ „ |
| 1846: | | 1846: | | | |
| January - - | 9 9 | June - - | 2 94/100 a' ex. 4 4 | 12 8¾ p' piece | 10 4¾ p' piece. |
| April - - | 9 6 | September - | 2 94/100 „ 4 4 | 12 8¾ „ - | 10 4¾ „ |
| July - - | 9 3 | December - | 2 94/100 „ 4 4 | 12 8¾ „ - | 10 4¾ „ |

The duty in China on a piece of grey shirtings is 14 cents., or at an exchange of 4 *s.* 4 *d.* = 7 ½ *d.* per piece.

1861. Mr. *Moffatt.*] Have you made these Papers from returns of sales?—Yes; many of them are actual sales.

1862. And the return is given in English money?—Yes.

1863. *Chairman.*] Then your evidence goes to prove that there is a profit on our exports to China?—Yes. As a further proof of that, I may be allowed to state, that I obtained from some of our friends who have sent their goods through us to China, the result of their shipments since 1844. This is a Paper which I got from a gentleman in Manchester a few days ago. He commenced shipping in 1841.

[*The Witness delivered in the same, which is as follows:*]

| DATE OF SHIPMENT. | | Number of Pieces, &c. | Invoice Amount, including Charges in this Country. | When Sold. | Net Proceeds in Dollars. | Exchange. | —— | —— |
|---|---|---|---|---|---|---|---|---|
| 1844: | | | £. *s.* *d.* | | $. *c.* | *s.* *d.* | £. *s.* *d.* | |
| April - - | Eleanor Russell - | 43 bales - | 1,279 19 5 | Dec. 1844 | 6,238 36 | 4 5 | 1,377 12 8 | |
| | | | | | | | 23 10 2 | |
| | | | | | | £. | 1,401 2 10 | |
| June - - | Charlotte - - | 1,300 pieces | 667 19 – | March 1845 | 3,595 35 | 4/3 & 4/3½ | 771 3 7 | |
| July - - | Charles Jones - | 800 „ | 462 2 – | Sept. „ | 2,157 94 | 4 4 | 467 11 1 | |
| 31 October - | Monarch - - | 60 „ | 133 9 9 | „ „ | 670 44 | – – | 145 5 3 | |
| 1845: | | | | | | | | |
| 31 October - | New Margaret - | 1,500 „ | 807 3 10 | July 1846 | 2,813 32 | – – | 609 11 – | - - Ordered to be sold for cash at Shang-hai. |
| 1846: | | | | | | | | |
| 2 January - | Monarch - - | 2,000 „ | 1,173 12 – | „ „ | 4,345 0 | – – | 941 8 4 | |

*C. Rawson*, Esq.
29 April 1847.

From this Paper it appears that the goods would, at the exchange of the day, have sold for 1,401 *l.* 2 *s.* 10 *d.* But instead of getting bills, we were obliged to send him tea from China; and he was so disgusted with the result, that he wrote out to our friends abroad to insist that they should only sell for cash. The order went out. It was a considerable time before they could even make a sale for cash; and the result was, that for an invoice of 807 *l.* 3 *s.* 10 *d.*, which left in October 1845, and which he sold in July 1846, the net proceeds were 2,813 dollars, and he only received 609 *l.* for his 807 *l.*; and at the time that that sale was made, 2,000 pieces invoiced at 1,173 *l.* 12 *s.* only produced him 941 *l.* 8 *s.* 4 *d.*

1864. Mr. *Moffatt.*] That was sold for bills?—Yes.

1865. And those bills had six months to run?—Yes.

1866. So that the party lay out of his capital a year and a half nearly, and realized a loss of 20 per cent.?—Yes. That is not at all a solitary instance. Here is the result of another party's shipment to China.

[*The Witness delivered in the Paper, which is as follows:*]

| DATE of SHIPMENT. | | Number of Pieces. | Manchester Price per Piece. | Invoice Amount, including Charges in this Country. | When Sold. | Net Proceeds in Dollars. | Exchange. | — | |
|---|---|---|---|---|---|---|---|---|---|
| 1844: | | | *s. d.* | *£. s. d.* | | *Dollars c.* | *s. d.* | *£. s. d.* | |
| 15 August - | Charles Jones - | 3,900 | 8 9¼ | 1,905 6 – | 10 April 1845 | 11,262 33 | 4 6 | 2,534 – 6 | Shang-hai. |
| 31 October - | Monarch - - | 660 | 9 5¾ | 596 – – | 13 May 1845 | 2,747 71 | „ | 618 4 8 | „ |
| 1845: | | | | | | | | | |
| 7 January - | John Horton - | 2,000 | 9 9 | 1,175 – – | 18 Sept. 1845 | 5,349 95 | „ | 1,203 14 9 | „ |
| 5 March - | Lady Bute - | 10,000 | 10 –¼ | 6,010 8 4 | 23 Sept. 1845 | 27,367 – | „ | 6,157 11 6 | „ |
| 10 Sept. - | Tomatin - - | 4,000 | 9 9 | 2,300 – – | 23 Oct. 1846 | 9,892 16 | „ | 2,225 14 8 | „ |
| 31 Oct. - | New Margaret - | 2,500 | 9 – | 1,250 – – | 7 Sept. 1846 | 5,612 21 | 4 4 | 1,215 19 7 | Hong Kong. |
| 1846: | | | | | | | | | |
| 2 January - | Monarch - - | 4,800 | 9 – | 2,400 – – | 8 Sept. 1846 | 11,327 13 | 4 6 | 2,548 12 1 | Shang-hai. |
| 10 February | Velore - - | 4,000 | 9 2 | 2,183 6 8 | 24 Oct. 1846 | 10,467 12 | „ | 2,355 2 – | „ |
| | | | | | | | | 18,858 19 9 | |
| | | | | | | | | 17,820 1 – | |
| | | | | | | | £. | 1,038 18 9 | |

It appears from this Paper, that the merchant, at the exchange of the day, would receive 18,851 *l.* 19 *s.* 9 *d.* for goods which cost him only 17,820 *l.* 1 *s.*, leaving a profit of 1,038 *l.* 18 *s.* 9 *d.* Another case is still stronger, because the account was balanced by tea. It was given me by the shipper, but the goods were not sent to our house in China.

[*The Witness delivered in the Paper, which is as follows:*]

PARTICULARS of SALE and RETURNS of a Shipment per "Flora," Captain Hooge, from *Liverpool* to *China*, part returned from *Whampoa*, per "Sarah Louisa," for a better Market in *Shang-hai*, and sold at *Shang-hai*.

| | | | | |
|---|---|---|---|---|
| Oct. 1844, 1,609 a' 1,628<br>1,694 „ 1,734 | 61 cases white shirtings | - | 3,042 pieces. | |
| 1,629 „ 1,693<br>1,735 „ 1,747<br>1,749 „ 1,764<br>1,767 „ 1,795 | 123 bales grey shirtings | - | 6,500 „ | |
| | | | 9,542 „ sold for | $ 26,311 22 |

| | |
|---|---|
| Exchange in Shang-hai, Nov. 1845, a' 4/6 | £. 5,920 – 6 |
| Cost price | 5,938 10 6 |
| Loss | £. 18 10 – |

RETURNS.

| | | £. | s. | d. |
|---|---|---|---|---|
| Cost price | | | | 5,938 10 6 |
| Bill | $ 619 64 a' 4/6 | 139 | 8 | 5 |
| Tea | 25,691 58 produced October 1846 | 4,539 | 19 | – |
| | $ 26,311 22 a' 4/6 £. 5,920 – 6 | £. 4,679 | 7 | 5 |

Loss £. 1,240 13. 1.

| | |
|---|---|
| Loss on Returns and Sale | 1,259 3 1 |
| | £. 4,679 7 5 |

| | | £. | s. | d. |
|---|---|---|---|---|
| Loss on sale | 0. $\frac{9}{32}$ % | 18 | 10 | – |
| Returns | 20 $\frac{13}{16}$ % | 1,240 | 13 | 1 |
| Loss on Sale and Returns together | | £. 21 $\frac{3}{16}$ % | | |

*All charges, including insurance and interest at the rate of 5 % p. a. included.*

At the exchange of the day the loss would have been 18 *l.* 10 *s.*, but instead of that, they got returns in tea; they got a small bill for 619 dollars, and they got 25,691 dollars' worth of tea, and the loss on the returns and sale was 1,259 *l.* 3 *s.* 1 *d.*; which deducted from 5,938 *l.* 10*s.* 6 *d.*, the cost price, left only 4,679 *l.* 7 *s.* 5 *d.* It is a most important thing for the Committee to remember, that there is hardly a possibility of getting cash in China for goods. The evidence which has been given by Mr. Alcock, and different consuls, fully proves that, but perhaps the Committee will allow me to put in these Extracts.

[*The Witness delivered in the Paper, which is as follows:*]

EXTRACTS from the "Returns of the Trade of the Five Ports," illustrating that a Barter Trade with the Chinese is the most desirable, and the only one that can be expected to grow to any magnitude.

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1. REPORT on the Trade of Fow Chow, by Consul *Alcock*, 16 June 1845.—Returns, &c. 1847.

THE Chinese traders stated that a barter trade would be most desirable, and that tea could be supplied for that purpose; *p.* 3.

Business is carried on by barter, ready money, and promissory notes; that by barter is the most prevalent; by ready money the least. The latter is indeed at all times a scarce article,

C. *Rawson*, Esq.
29 April 1847.

article, though if due notice be given, no great difficulty is experienced in collecting a moderate sum; *p.* 5.

Large transactions, involving the disposal of a whole ship's cargo to one house, and several in succession, can only be contemplated in reference to and in connexion with a barter trade; the chief element of which, at this port, must be tea, on the Chinese side; *p.* 6.

This tea-dealer further gives it as his opinion, that the tea-traders would generally take our goods to any amount for which we demanded tea; and he considers that such a barter trade would be most desirable and profitable for both parties; *p.* 9.

The barter of manufactured goods with tea; for on this depends the existence of a trade of any importance; *p.* 11.

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LETTER from Consul *Thom*, Ningpo, to Sir *John Davis*, 10 January 1846.

IN our immense transactions at Shang-hai, there are two prices known in the market; viz. the cash price, and the barter price. On the first opening of the port of Shang-hai some sales of our manufactures were effected for cash, but latterly everything has been done by barter.

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EXTRACT from Mr. *B.*'s Letter to *S. R.*, dated Hong Kong, 30 January 1847.

I CAN only repeat what we have before written on the subject of placing goods for cash, and the consequent inability to remit parties otherwise than in produce, without a very great sacrifice. Supposing we made a sale for payment in hard dollars, we should not only have to submit to a very disproportionate price, but, according to Chinese customs, we should only receive them at the rate of 90 or 92 dollars per 100 dollars; besides having to allow a discount of two and a half, and giving a credit of three weeks or a month, which I should be very sorry to do for an ordinary guarantee commission, looking to the notorious embarrassments of most of the dealers we have transactions with.

It is totally impossible to sell any large amount of goods for cash.

1867. *Chairman.*] It can only be a barter trade, and that barter trade is limited?—Exactly; it is limited by the limited consumption of tea in this country.

1868. And that you attribute to the duty?—Yes. I brought these samples with me to show that the consumption of the staple article of our manufactures in China might be almost without a limit; we can afford to sell a piece of 72-reed shirtings, 40 inches wide, at 3 ½ *d.* per yard; whereas it will be seen that Chinese cloth, 12 inches wide, of very nearly a similar quality, costs 3 *d.* per yard, equal to 10 *d.* per yard for the width of the English cloths.

1869. Is the quality of our goods fully as good as that of the Chinese?—In regard to nankeen, ours are not equal to theirs; they are made of the yellow cotton of China.

1870. Mr. *Moffatt.*] Do we not export vast quantities of cotton from India to China?—Yes, to an immense extent.

1871. *Chairman.*] Is that from Surat?—Yes, largely of Surat cotton from Bombay; but also to some extent from Bengal and Madras.

1872. Is it not very inferior to their own?—Yes, it is inferior in quality, being very short staple.

1873. You have been in China?—Yes.

1874. Have you witnessed the manufacture of tea?—In Java I have. When I was in Java, the Java government attempted to cultivate tea, and with considerable success. They were anxious that it should be taken up by the public; that the public should take grants of land on the same principle as they had done with regard to sugar. The government advanced a certain portion of the money, and they found land, and took the produce at a certain price. This with sugar worked admirably well; in fact, some fortunes were made. In tea the same thing was tried; the government agreed to take the tea made, that is, the green tea, at the price of 30 florins per 100 lbs., or 5 ½ *d.* sterling

sterling per pound; 15 florins per pecul, or 2¾*d.* per pound. That must leave a profit to the manufacturer of tea; it must pay all his expenses, and leave a profit at the end. The green is 5½*d.* per pound, and the black 2¾*d.*

1875. Under that agreement has the production of tea in Java largely increased?—I cannot state. I went up there to see it made myself.

1876. In what year was that?—In 1839.

1877. What sort of tea was it?—Very strong tea.

1878. Mr. *Moffatt.*] It is not within your knowledge that the production of tea in Java has materially increased since 1839?—No.

1879. Mr. *Beckett.*] Have you any doubt of the power of the Chinese to produce any quantity of tea?—Not the slightest: whenever we have wanted tea, we have always got it. The Chinese themselves are immense consumers of tea, and at the end of every season tea is left, and my own feeling is that we could have any quantity of tea that we required; it would have to be manipulated for the English market, but it is to be readily obtained.

1880. *Chairman.*] Can you give any comparison between the old duties levied upon articles in China previous to the treaty, and the present duties?—Yes.

[*The Witness delivered in the same, which is as follows:*]

DUTIES IN CHINA.

| | Old Duty. | | | | Present. | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *T.* | *m.* | *c.* | *c.* | *T.* | *m.* | *c.* | *c.* | $ *c.* |
| Shirting, grey, piece | 0 | 2 | 9 | 7½ | 0 | 1 | 0 | 0 | 0 14 |
| „ white | 1 | 2 | 0 | 6 | 0 | 1 | 5 | 0 | 0 21 |
| Prints | 1 | 6 | 6 | 7½ | 0 | 2 | 0 | 0 | 0 28 |
| Spanish stripes, per chang | 1 | 3 | 6 | 5 | 0 | 1 | 5 | 0 | 0 21 |
| Camlets | 1 | 6 | 2 | 5 | 0 | 0 | 7 | 0 | 0 9¾ |
| Long ells, each | 0 | 4 | 0 | 7½ | 0 | 0 | 7 | 0 | 0 14 |
| Iron bar, pl. | 0 | 7 | 2 | 4 | 0 | 1 | 5 | 0 | 0 21 |
| Blankets, each | - | - | - | | 0 | 1 | 0 | 0 | 0 14 |
| Yarn, pl. | 3 | 5 | 3 | 0 | 1 | 0 | 0 | 0 | 1 40 |
| Tea, pkl. | 5 | 0 | 0 | 0 | 2 | 5 | 0 | 0 | 3 47 |
| Silk, pkl. | - | - | - | | 10 | 0 | 0 | 0 | 13 89 |
| Sugar, pkl. | 1 | 4 | 2 | 0 | 0 | 2 | 5 | 0 | 0 35 |
| Tonnage dues, register ton (1/10th of former dues) | - | - | - | | 0 | 5 | 0 | 0 | 0 70 |

I will now lay before the Committee the result of actual shipments of woollens from one of our friends to China, from 1842 to the end of 1845. These prove that the prices in China would have been perfectly satisfactory if the exchange of the day could have been realized, and that the losses which have caused the great decrease in shipments of woollens, have arisen, as in cottons, on the tea which was obliged to be sent in return, it being impossible to get cash for any considerable quantity of goods.

| Date of Shipment. | VESSEL'S NAME. | DESCRIPTION of GOODS. | Cost Price in England, including Charges. | Net Amount of Sale. | Exchange. | |
|---|---|---|---|---|---|---|
| | | | £. s. d. | £. s. d. | | |
| Dec. 1842 - | Nautilus - - - | Camlets - - - | 667 4 9 | 1,130 12 10 | | |
| Dec. — - | Chieftain - - | Spanish stripes - | 561 9 10 | 739 6 – | | |
| Jan. 1843 - | ditto - - - | Camlets - - - | | | | |
| Feb. — - | Anglesea - - - | ditto - - - | 273 5 4 | 383 19 – | | |
| May — - | George Buckham - | Spanish stripes - | 422 11 6 | 583 15 – | | |
| May — - | John Bull - - | Long ells - - | 322 18 7 | 423 4 6 | | |
| June — - | John Dalton - - | Camlets - - - | 266 2 3 | 446 – – | | |
| July — - | Magnolia - - | ditto - - - | 1,037 19 4 | 1,538 10 – | | |
| Sept. — - | ditto - - - | Spanish stripes - | | | | |
| Aug. — - | Canopus - - - | Long ells - - | 328 5 2 | 424 – – | | |
| Sept. — | Thomas Lowry - | ditto - - - | 340 19 5 | 399 – – | | |
| Nov. — - | Tapley - - - | Camlets - - - | 429 19 8 | 570 – – | | |
| Dec. — - | Mary Ann Webb - | Spanish stripes - | 398 13 9 | 523 – – | | |
| March 1844 | Bahamian - - | Cloths - - - | 319 4 1 | 411 – – | | |
| May — - | Euphrates - - | Spanish stripes - | 352 4 – | 555 – – | | |
| July — - | Charles Jones - - | Camlets - - - | 500 10 4 | 576 – – | | |
| Aug. — - | Marmion - - - | Med. cloths - - | 495 4 6 | 548 – – | | |
| | | | | $. c. | s. d. | £. s. d. |
| Jan. 1845 - | ditto - - - | Camlets - - - | 590 13 2 | 3,959 14 | 4 3 | 841 – – |
| Jan. — - | ditto - - - | ditto - - - | | | | |
| Jan. — - | Alice Brooks - - | Long ells - - | 357 15 6 | 1,830 0 | 4 5 | 404 – – |
| Feb. — - | Livingston - - | ditto - - - | 348 3 9 | 1,709 0 | 4 4 | 370 – – |
| Feb. — - | Pandora - - - | Med. cloths - - | 314 16 6 | 1,933 0 | 4 3 | 410 – – |
| Feb. — - | Princess Royal - | Camlets - - - | 410 16 10 | 2,537 0 | 4 5 | 560 – – |
| Mar. — - | Larpent - - - | ditto - - - | 509 11 4 | 2,733 0 | - - | 603 – – |
| April — - | Deron - - - | Long ells and camlets | 414 7 1 | 2,364 0 | 4 3 ½ | 507 – – |
| April — - | Saghalien - - | Long ells - - - | 348 14 9 | 1,830 0 | 4 3 | 389 – – |
| May — - | Dumfries - - | Camlets - - - | 513 13 6 | 2,733 0 | 4 5 | 603 – – |
| June — - | Lancaster - - | Long ells and Spanish stripes - - - | 550 18 6 | 2,958 0 | 4 4 | 640 – – |
| July — - | Aden - - - | Long ells - - - | 348 13 9 | 1,836 0 | 4 5 | 405 – – |
| Aug. — - | W. Jardine - - | Med. cloths - - | 320 6 – | 1,878 0 | 4 3 ½ | 403 – – |
| Sept. — - | Chatham - - - | Lastings and Spanish stripes - - - | 358 3 8 | 2,248 0 | 4 4 | 487 – – |

*Martis, 4° die Maii,* 1847.

MEMBERS PRESENT.

Dr. Bowring.
Mr. Brown.
Mr. W. Ewart.
Mr. Harcourt.
Mr. Hawes.
Viscount Jocelyn.
Mr. Matheson.
Mr. Moffatt.
Mr. Parker.
Viscount Sandon.
Mr. John Abel Smith.
Mr. Spooner.
Sir George Staunton.

WILLIAM EWART, Esq. IN THE CHAIR.

*John Gott,* Esq., called in; and Examined.

*John Gott,* Esq.
4 May 1847.

1881. *Chairman.*] YOU are extensively engaged in the Woollen Trade at Leeds?—Yes.

1882. What is the name of your firm?—Benjamin Gott & Sons.

1883. Have you had some opportunities of judging of the value of the China trade to the woollen manufactures of this country?—It has long formed a part of our business; previously to the restrictions being taken off, we were engaged in it to a certain extent as regarded the American supply, and subsequently we have followed it out more largely.

1884. Can you give us any idea of the former and the present state of the trade?—The trade has not increased since the restrictions were removed, to the extent that it was expected it would have done.

1885. Can

1885. Can you give us any idea of the former and present value of the woollen trade?—In the first instance I will state the value of the trade itself as regards woollens to the manufacturing district. In cloths adapted for China, a greater portion of the cost consists in the wages of labour than any other description of cloths that we manufacture.

1886. What sort of cloth is that which you manufacture for China?—Light fabrics, finely made, and highly finished. There is a greater portion of the cost of those cloths consisting in the wages of labour, than in any other description, and as such, we consider it highly valuable both to ourselves as manufacturers, in the employment of our machinery, and also to the labour of the district generally.

1887. Can you tell us the extent to which you exported those cloths under the East India Company, and since that time?—During the trade being in the hands of the East India Company, we were not engaged in supplying them; we supplied at that time only the American merchants. The trade at that time consisted partly of cloths sent to China, through the instrumentality of the East India Company, who paid considerable attention to the trade in woollens, and partly of cloths that were sent out by the Americans, I take it, for their own trade, and for the supply of their own country with the produce of China in return; but previously to the restrictions being removed, we were not ourselves engaged in the trade as regarded England. Subsequently we became so, and extensively so, and have continued to be so from that time to the present.

1888. Have the Americans continued to export British woollens?—Yes.

1889. Are they increasing exporters, or diminishing?—The supply by the Americans is not diminished.

1890. What is the season at which the China trade is principally most active in woollens?—From October to May. The manufacturing districts in which I am interested are engaged in the preparation of cloths for the China trade, from the month of October to the month of May; and what makes it so valuable to us also is, that it gives a regularity to the employment, for at that time the other trades are generally less active.

1891. Do you know anything of the manufacture of woollens by the Chinese themselves?—The best information which we can obtain is, that they are not manufacturers of woollens at all; no instance has yet come before us.

1892. Have you any idea to what part of China, from your inquiries, the export of British woollens has gone?—Since Shang-hai has been more fully opened, a large amount of woollens has gone to Shang-hai; that appears to be the favourite port for them now.

1893. Is it reasonable to apprehend that that is for the northern parts; the colder parts of China?—Yes. It is very difficult to say to what parts they find their way, but in all probability some may go to the northern parts; that is a part of China from which we look for a great increase of the trade, inasmuch as we know that woollens are particularly adapted to the northern latitudes. As soon as they begin to find their way to the north, we expect an increase as regards our own trade with China.

1894. Shang-hai is the principal opening by water communication to the north of China?—Yes.

1895. Have the exports of woollens considerably increased?—As I have said before, during the period of the East India Company having sole possession of the trade, they paid particular attention to that of woollens; they seem to have done so in a striking degree, and when the trade opened, the demand for cottons increased rapidly and exceedingly, and woollens for a time decreased; in fact, in some particular descriptions of woollens it is very materially less now than it was during the period of the East India Company having sole possession of the trade.

1896. Then do you attribute the decrease in the woollen trade to the increase in the cotton trade?—I do. The cotton trade having taken possession of the returns, in a great measure, woollens only came in second, instead of being, as previously, the more prominent article.

1897. Of what wool are the cloths adapted to the Chinese market principally composed?—The great bulk of them are made from the Australian, our own colonial wools.

1898. Have you any means of informing us how far the competition of Russia acts against you in China?—It was understood, when the trade was opened, that the Chinese had been in the habit of receiving their supplies of cloths from

*John Gott*, Esq.

4 May 1847.

Russia; and samples of those cloths were obtained; but hitherto it has not led to any very great increase of our own business in those descriptions of cloths that the Russians were in the habit of supplying.

1899. Comparing the quality of the Russian cloth and its price with our own cloths, how far do you think we can stand the competition?—I have no doubt we should be able to stand the competition.

1900. And undersell them?—Yes.

1901. Dr. *Bowring*.] Do you imagine that the cloths exported into China from Russia are Russian manufacture, or that they come from Leipsic?—It is not really known; the trade has not been sufficiently traced yet to ascertain from what source they come. The probability is, they may be cloths made in the neighbourhood of Moscow, or they may come from the Prussian manufacturers, and so go through Russia; but the cost must be very heavy compared with sea-borne goods.

1902. Are you aware whether the Russians carrying on the caravan trade with China, attend the Leipsic fair?—That I do not know.

1903. *Chairman*.] Do you know whether any of our woollens have found their way to Japan?—I should say not of late years.

1904. To what causes would you look as a means of extending the trade in woollens with China?—I think if there were a greater facility given to the reception of what they have to give to us in return, the trade in woollens would materially increase. We know that they are a very favourite article in China, and we have every reason to believe that that taste is steadily increasing; but they have not kept at all their position with the other manufacturing interests; for instance, with cottons. The vast quantity of cottons now that goes, compared with the small quantity that did go, is very striking. If we look to the list with respect to woollens, for a period of years, it is nearly stationary; and, in fact, has in some descriptions retrograded; from which we suppose, knowing that there is a desire to possess them on the part of the Chinese, that if greater facilities were given to the disposal of their produce, we should come in for the benefits of it.

1905. Are there any other points connected with your own particular trade, and within the range of your own experience, upon which you are able to speak on the question of the trade with China?—I think not, excepting this; that we ourselves have been chiefly in the habit of supplying extensive merchants connected with China, and our works, and all our manufacturing arrangements are made for their supply; but they have for the last year or two been unwilling to give orders for woollens, in consequence of the great losses which they sustained on the returns; and they have told us so.

1906. Dr. *Bowring*.] Do you think there is any fluctuation of the Chinese fashions which influences any demand for British woollens?—It influences it very little indeed; remarkably so. The Chinese seem to adhere pertinaciously to their own tastes. There is very little change, indeed, in the description of manufactures that they require.

1907. So that the variety of demand by other countries operates very little in the Chinese empire?—Very little indeed.

1908. What has been the reduction in prices of the exports to China since the period of the East India Company's monopoly?—I should say they are one-third cheaper now than they were at that time.

1909. Is that in consequence of the great reduction of the raw material, or the more economical mode of manufacture?—Both combined.

1910. Mr. *Spooner*.] Are you aware whether the kind of woollen goods imported from Russia into China differs very much from the British woollen goods?—It does; they are a different description of cloth; they are much stouter. The German manufacturers are now beginning to manufacture the same kinds of cloth that we do; cloths of light fabric, and peculiar in several respects; but the Russian cloths, or those that we have always considered to be Russian cloths, inasmuch as they come through Russia, from whatever quarter, are a stouter cloth, more adapted for the northern latitude, and that has led us to believe what, I think, will be found ultimately to be the case, that there is a great consumption in the interior, in the northern provinces of China, of cloths of a stouter fabric, and that by-and-by it will reach us in some shape.

1911. What has prevented your sending those coarser cloths to China?—There does not seem yet to have been a demand for them; we have made the attempt

attempt ourselves, at least our friends have. We have manufactured cloths of a similar kind, and those cloths have been disposed of, but they have not yielded a sufficiently remunerating return to induce a repetition of the experiment.

1912. But there seems to be a demand for those cloths from Russia?—Yes.

1913. You state that there is no demand for the same cloth made in England; why then is there a demand for the same cloth made in Russia?—We cannot tell to what extent it is; we know that it exists, and we believe that it will eventually reach us.

1914. Dr. *Bowring*.] Are you aware whether the goods exported from Russia are those furnished by the Imperial manufactures of Russia, or by establishments to which the Russian Government lends pecuniary aid?—I take it the trade is very much under the countenance of the Government.

1915. *Chairman*.] Have you tried those coarser cloths since Shang-hai was opened to you?—We have; and the cloths that we manufactured for it were too costly. It may lead to other trials probably, but the cloths were of too costly a character; they did not cause a sufficiently remunerating return.

1916. Were they of the coarser nature of the cloths imported from Russia?—They were in many respects the same, but they were of a finer quality; their substance was the same, but they were of a finer quality.

1917. Still it is in your power to compete with those coarser cloths, is it not?—We believe that it is, and we look for the trade to arise.

1918. Dr. *Bowring*.] Is not the great distance of the ports through which we communicate with China, from the northern latitudes of China, a great impediment to the introduction of the coarser cloths in those northern latitudes?—Yes; we believe however that they will find their way through the various canals and other communications in the interior of China, and the woollens probably do now; we believe they will find their way to the northern provinces, and that they will eventually become an article of large consumption.

1919. Can you form an estimate of the cost or duties which attach to the conveyance of woollens from the port to the northern district of consumption?—What the internal duties are I do not know, but the duties on the entry of woollens are very moderate indeed, five cents; the duties on the import of woollens are very reasonable.

1920. *Chairman*.] Is it a five per cent. duty, or what?—No, it is five cents per yard on the article.

1921. What is that upon the value of the article?—It does not exceed five per cent.; it is not quite five per cent.

1922. Mr. *Matheson*.] Are you aware whether ordinary woollens have been imported from Germany and sent out from this country to China?—They have.

1923. To what do you attribute the circumstance of German woollens being able to compete with British woollens, with the additional charges from Germany to this country?—I can only suppose that they manufacture them sufficiently cheaply to enable them to meet our own.

1924. More cheaply than we do?—That is rather a difficult question to answer, we are just now put upon our trial, and there never was a moment when the competition between the two classes of manufacturers was so great as it is likely to be for the next two or three years; it is a very formidable competition.

1925. *Chairman*.] From what part of Germany does the competition arise?—With the Belgian cloths, and the Prussian cloths; they are extensive and very good manufacturers.

1926. Are those the coarse or the finer cloths?—The cloths for China are of a particular kind; they are a fine fabric, but not of a very high price; they are thin cloths.

1927. Dr. *Bowring*.] Is it not the fact that the superior advantages which we possess in machinery, are somewhat counteracted by the lower price of hand labour on the Continent?—The Continent now have access to the best machinery equally with ourselves; their machinery is as good as ours.

1928. Is not the best machinery imported from England, with the additional cost of conveyance and duty upon that machinery?—I believe it to be so.

1929. Mr. *Spooner*.] Will you explain to what you refer, when you say, "we are just now put upon our trial"?—I mean that we find in foreign markets, that the foreign cloths compete with ours successfully; that as regards their own home consumption, we have ceased to supply them nearly altogether; and that as

*John Gott*, Esq.

4 May 1847.

regards the more distant markets, in which I include China of course, they are now becoming competitors with us there also.

1930. How long have you felt the full force of this competition to which you allude?—It has been steadily growing for several years.

1931. Dr. *Bowring*.] When you use the words "home consumption," I suppose you mean the consumption of adjacent markets?—Their own consumption; as for instance, the Germans now supply themselves with the cloths that they require; they supply also to a great extent the Americans and the South American countries. Both these we at one time had the supply of in a great measure. They are also now competing with us in the more distant markets, as I stated, namely, China; and what the result of that competition is to be we have yet to learn.

1932 Mr. *Spooner*.] Do you look forward to the hope of being enabled successfully to overcome that competition?—It will require every exertion that we can exercise to do it, I am quite persuaded.

1933. Can you point out any way, either in the shape of expediting the returns from China or otherwise, to which you look as being enabled to overcome that competition?—I think it would be a great advantage if there was a greater facility given in this country to the reception of the produce of China; and the way in which it meets us individually is this: that having, as I said, all our arrangements made for an extensive trade to China, we have found that the last year or two it has been checked; that the merchants who had formerly called upon us to supply them have done so in a less degree; and, in some instances, to keep works going on, we have been induced to send some portion on our own account. We have found, in that case, that if sold for bills, it did not yield a profitable return; and when in exchange for tea, we find that the tea is not saleable without being attended with a very serious loss.

1934. Mr. *Hawes*.] Is the export trade to China from Germany increasing?—The export trade from Germany to China is increasing.

1935. What do they take in return for their exports?—I presume they take the produce of China for Germany.

1936. Tea?—Tea and silk, probably. I do not know; it is a part of the trade that the merchants will speak to better than myself; but I should presume they took the produce of China.

1937. And the chief produce of China is tea, of course?—Yes.

1938. What is the duty upon tea in Prussia?—I do not know what the duty is.

1939. Dr. *Bowring*.] Are you aware whether any exports of woollens have been sent to China by the Overland Route, through Egypt?—I should say not; there would be no inducement to do it. Samples may have been sent, and are sent, I dare say.

*Alexander Matheson*, Esq., called in; and Examined.

*A. Matheson*, Esq.

1940. *Chairman*.] YOU belong to the firm of Jardine, Matheson & Company, in China?—I do.

1941. Dr. *Bowring*.] What are the different ports of China with which you are connected?—Hong Kong, Canton, and Shang-hai.

1942. How long have you been connected with the Chinese trade?—About 21 years.

1943. *Chairman*.] Will you have the goodness to give to the Committee what information you possess relative to Hong Kong, in the first place?—Hong Kong possesses one of the best harbours in China. Prior to our taking possession of it, and for some time after, all the native traders between Canton and the east coast passed through the harbour, and generally anchored there. When the first Europeans settled at Hong Kong, the Chinese showed every disposition to frequent the place, and there was a fair prospect of its becoming a place of considerable trade. The junks from the coast made up their cargoes there, in place of going to Canton and Macao; these cargoes generally consisted of opium, cotton shirtings, a few pieces of camlets, and other woollens, and Straits' produce; such as pepper, betel nut, ratans, &c. Our own firm was the first that built a warehouse in the colony; we established a regular salesman in it, and in order to encourage the trade, were prepared to sell the smallest quantity of any article, such as one, 10, or 20 pieces of shirtings or camlets, and any portion of a chest

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of opium, to suit the means of purchasers. Our sales in this way averaged, during the first year, about 8,000 dollars per month. This went on for nearly three years: that is, from the beginning of 1841 till the autumn of 1843; and the amount of our sales were progressively on the increase. Some months they amounted to 15,000 dollars. This was what I call our "retail trade;" and in addition to it, we sold large quantities of opium and other articles; some of our transactions amounting to 10,000 dollars, 20,000 dollars, and 50,000 dollars; up to 1843, Hong Kong was literally a "free port." There were no restrictions of any kind; people went and came as they chose; and the British character stood so high in the estimation of the natives, that many respectable Chinese from Canton and Macao began to make arrangements for moving to Hong Kong. One extensive trader, Chienam, built one of the largest warehouses in the place, which is now unoccupied, and the money expended on it, about 20,000 dollars, is in a manner lost. Had the same unrestricted freedom of trade gone on, Hong Kong would inevitably have become a place of great trade. It would have been in time the emporium of China. The South Sea whalers would have resorted to it for supplies, and for shipping their oil to the European and American markets. Native Chinese, who return to their own country after having realized fortunes in Manilla, Java, and other European colonies, would have settled there; and the security to person and property which British laws and usages were supposed to guarantee, would have attracted to Hong Kong many wealthy Chinese, who, under their own government, are ever in dread of being "squeezed" by the government officers. In 1843, however, peace was proclaimed; Hong Kong was regularly ceded to us. A formal government was established, great expenses were incurred, and it became almost the exclusive study of the Government to raise as large a revenue as possible, to meet the expenses of the place. Up to the departure of Sir H. Pottinger, no means of raising a revenue were resorted to, except the land sales; but the police practised various modes of defrauding the Chinese settlers. From this time may be dated the reverses of Hong Kong. By our treaty with China, it was stipulated that no Chinese vessel should be allowed to anchor in the harbour of Hong Kong without a pass from some Chinese mandarin; of course no mandarin would grant a pass without a heavy fee, and by this one act the junk trade to Hong Kong was in a manner exterminated. But this was further aided by other circumstances. A body of police was established, composed of Chinese of the most abandoned character; these men, under the cloak of their office, committed all manner of atrocities, more especially afloat, in the harbour, where their proceedings more easily escaped notice. Boats and junks were plundered, and fees of all kinds were extorted from them under false pretences. Since then the establishment of the opium and other farms has completely extinguished the trade of Hong Kong. The junks, in place of passing through the harbour as formerly, in going and coming between the Canton River and the west coast, now avoid it as they would a pestilence, and pass to the southward of the island. We do not now sell goods in Hong Kong to the value of 500 dollars a month. Depôt vessels have taken up their station at a place called Camsingmoon, about half-way between Macao and Bocca Tigris, where there is a tolerable harbour; and since 1844 a considerable native town has sprung up there, with a population of from 3,000 to 4,000, composed entirely of petty traders and junk-men, who have deserted Hong Kong. They have built houses, and pay almost no ground rent. There is an European hotel and billiard room (formerly the East India Company's billiard table) on shore; Europeans walk and ride about unmolested. The large transactions in opium, and the retail trade in goods of all kinds which took place at Hong Kong, is now carried on at Camsingmoon. The place is rapidly increasing under Chinese rule, while Hong Kong, under British sway, is entirely without trade, and daily abandoned by some portion of its population. Several Europeans who expended large sums on buildings, have abandoned them, rather than continue paying the heavy ground rents. As an instance, I may mention a house built by Mr. Mercer, in the Wangnaichong Valley, at a cost of nearly 20,000 dollars, the ground rent being about 100 *l.* per annum. The Albany Godowas is another striking instance, being a range of buildings with a sea frontage, built by a company for the object of warehousing goods for Chinamen, at a moderate charge per month; but there being now no goods to warehouse, they have abandoned the buildings rather than continue paying a ground rent of about 250 *l.* per annum. I could enumerate various other instances;

*J. Matheson*, Esq.

4 May 1847.

instances; and as for land thrown in the hands of Government, I believe fully half the land sold at the early sales has been thrown up. I had myself an inland grant of about 20 acres, at a ground rent of 105 *l.* 10 *s.* per annum, which I threw up, after paying the rent for two years. The whole of the British merchants would abandon Hong Kong were it not for the very large sums they had sunk in buildings in the early days of the colony, and which they are reluctant to abandon, though I believe doing so would be their wisest course, and will certainly be the course adopted, unless, under a change of policy, the prosperity of the place revives. Almost every English firm in China has sunk more or less money in buildings, say from 5,000 *l.* and upwards, each. Our own outlay has been upwards of 50,000 *l.*, and I believe Messrs. Dent & Co's. has been little short of that amount. Before I left China in 1846, I had a serious consultation with my partners as to the expediency of abandoning this property to its fate, and removing our establishment from the colony, and we decided that, as I was coming home, it would be better to wait and see what could be done with the Home Government for the amelioration of the place; if nothing could be done, that we would then abandon it. The first land sale was in 1841, when the lots were sold (being very few in number) at exorbitant prices; but Captain Elliott afterwards held out the expectation that, after paying two years' rents, the fee-simple would be made over to us; at all events, that we should have perpetual leases, at a moderate rent. In place of this, leases of 75 years only were authorized by the Colonial-office to be granted to us, under very stringent regulations, and at the first sale prices; the average being, for sea-frontage lots of 105 feet square, about 84 *l.* per annum (upwards of 300 *l.* per acre), and for inland lots of the same size, 40 *l.* to 5 *l.* per annum, according to their distance from the sea. The discussions about the land tenure, rents, &c. are so fully detailed in published documents, that it would be needless here to enter upon them. I give it as my decided opinion that, while the present high ground rents continue to be exacted, the place will fall more and more into decay. All the merchants will quit it who are not engaged in the opium trade, as well as all the shopkeepers, and the buildings now occupied by them will become a heap of ruins. In the last Hong Kong newspapers, I observe several of the premises occupied by mercantile establishments, advertised to sell or let. The principle that Hong Kong is to support itself, must be entirely abandoned; it can only be viewed as a depôt or warehouse for British merchandise, which must be kept up at the expense of the British nation, or rather out of the immense revenue derived by the nation from the China trade. It is utterly impossible and hopeless to expect that the few British merchants resident in China, not 100 in number, can ever support a settlement like Hong Kong. Though it would take years to repair the evil which misgovernment has brought upon Hong Kong, I am still of opinion that a prudent course would in time restore its prosperity, and that it would eventually become one of the principal mercantile emporia in the world. Nothing can exceed the advantages of its harbour, being not only one of the safest in the world, but close to the Ocean; and, from having two entrances equally safe, it is accessible with every wind. It would be a central point for the whole whaling trade in the Pacific, as well as for the general commerce of the east, ranging from Singapore to Japan, and thence along the west coast of America to Cape Horn, including our Australian colonies, the Philippines, Sumatra, Java, &c. Hong Kong is also favourably situated as a depôt for sugar, cassia, camphor, and other articles of China produce. The first thing to bring about such desirable results would be the abolition of all the farms now in existence, as well as the discontinuance of all the wretched taxes now levied; such as on houses of bad fame, billiard rooms, boats, &c. Also the registration of Chinese, which is extremely repugnant to their feelings. In this way about two-thirds of the present Government officials might be dispensed with, and a proportionate reduction made in the expenses of the colony. Let perpetual leases be granted, at a moderate ground rent, say 20 *l.* or so for a sea-frontage lot, and 2 *l.* for a suburban lot; and let the revenue thus levied be applied exclusively to the maintenance of an efficient police force, leaving the other expenses of the Government to be borne by the nation; and I feel convinced that in the course of a few years, Hong Kong will take a new turn, and become one of our most flourishing, as well as valuable possessions. To show what Captain Elliot's views were, as to the ground rents, he fixed the upset price for sea-frontage lots, at the first land sale, at 10 *l.* per annum; and had a sufficient number of lots been put up, the rate would not have much exceeded

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that sum; but owing to the number of lots being quite disproportionate to the number of competitors, a keen competition drove the price up to 100 *l.*, and upwards, for some lots, and the average of this sale has since been retained as the standard of value. The opium and other farms, have had the most injurious effects on trade. Each farmer keeps up a preventive service, far more expensive than the Government rent, and under the plea of protecting their master's farm, these men commit robberies and all sort of aggressions. This is more especially true of the opium farmer and his gang. This man has made an immense fortune in the colony, and owns whole streets of houses, which are rented as gambling houses, brothels, smoking shops, &c.; and from farming the opium, he is enabled to let his houses, as he supplies his own tenants exclusively with the article, while other house proprietors are left without a single tenant. In 1844, Sir John Davis's bedroom was entered by thieves, and among other things he had his watch stolen from him. All the efforts of the police to recover the watch were unavailing. At length the opium farmer was applied to, and in a short time the watch was restored to his Excellency. It is proper to add, in reference to the China junks frequenting the harbour, that though by treaty we are bound not to allow them to anchor without a pass from a Chinese mandarin, this regulation, strictly observed for a year or two by the Hong Kong Government, has of late, at the earnest entreaty of the British merchants, been dispensed with. But unfortunately before this was done the junks had ceased to come, and will never frequent the harbour again until the farms are abolished. In the event of their return, however, it would be well to bear in mind that this stipulation of the treaty is not to be enforced by our Government. The principal cause of Sir John Davis's unpopularity is the eagerness which he has on all occasions shown to swell the colonial revenue, imposing a tax in every imaginable form, regardless of the annoyance thereby occasioned to the inhabitants. The returns for the past year will show the several items, many of them most trifling in amount, though vexatious in their nature. I consider it a most unadvisable course for the Government to attempt raising any other revenue than the land rents; at all events, until the colony has advanced considerably in wealth and population. Sycee silver was more abundant during the war than it was ever known to be, either before or since. For years previous to 1839 it was at a premium of three to five per cent.; during the war it was at a discount of two to five per cent., and since the peace it has gradually risen to a premium of nine per cent. This export of bullion to India has existed to a large amount during the last half century. During the war, when sycee silver was at a discount, the export increased materially, but since the peace it has again declined to nearly the same scale as before the war. The importation of opium into China may now be estimated at 40,000 chests per annum; worth, at 600 dollars per chest, 24,000,000 dollars, or about four millions and a half sterling. It is supposed that there are silver mines in China, in the hands of, and worked by, the Government, which are opened on occasions of emergency, such as the late war, but are closed again as soon as the emergency has passed away. On this point, however, we have no positive information.

1944. You have alluded to the abuses of the opium farm?—I have.

1945. Do you think it generally objectionable to entrust any individual with so dangerous a power?—I do; most objectionable. No Englishman could hold the farm; he could not protect it.

1946. Mr. *Matheson.*] Is it not the case that the farm was at one time let to a British subject?—It was let to a British subject, and it was the ruin of him; he could not protect his interests, and could get no redress from the police courts.

1947. *Chairman.*] What is the peculiar advantage, then, which a Chinese possesses over an Englishman in that respect?—A rich Chinaman has always an immense gang of followers; a sort of clan or tail; he is like a Highland chief, with an immense retinue; and they all stick together like one man, and work together.

1948. Mr. *Matheson.*] Like a Highland chief of former times, I presume?—Yes.

1949. What was the nature of the obstacles which this British subject met with who had the opium farm?—He could not command a sufficient force to protect his farm; he had no money to begin with; he was a man without capital.

1950. Dr. *Bowring.*] Do you think that even if an Englishman had adequate capital he could carry on the monopoly with advantage?—He could not carry it on.

*A. Matheson*, Esq.

4 May 1847.

1951. Mr. *Hawes.*] I understand you to say that there is no objection on the part of the merchants of Hong Kong to a revenue being derived from land?—None whatever.

1952. Taking the next head of revenue, the market rents, will you give us some information about that, and state your objections to it?—The market was first of all established by Colonel Malcolm, and it was considered a very great boon in the colony. Before the market was established hucksters went round the streets with stalls, selling provisions of all sorts; Colonel Malcolm built a house for them, a market-place, and collected them all in that place, and let the stalls to them at a very moderate rent, just a rent sufficient to pay the expenses of keeping the houses in repair. Upon that principle it was a great boon to the colony

1953. What change has taken place since?—I understand that since that the market has fallen to a Chinaman, who has made a source of revenue of it; and I believe that about 1,500 *l.* are annually collected as the revenue from it. The consequence is that provisions have risen in price very much, and poor labouring people cannot afford to live in the colony as they did formerly.

1954. Do I understand you, that the terms charged for the stalls in the market have been raised since Colonel Malcolm's time?—I believe now the practice is, to let the market to one man, and leave him to do the best he can with it.

1955. Do you know anything of the charges which he makes?—I do not.

1956. You do not know whether they are raised or not since Colonel Malcolm fixed the charge?—I can only say generally that provisions have risen very much in price, and one of the reasons assigned for it is, the heavy charges which this farmer imposes upon the stalls.

1957. You cannot inform the Committee the amount of those charges?—No.

1958. You believe they are in excess of those fixed by Colonel Malcolm?—I cannot say positively; but my impression is, that they are considerably in excess.

1959. Have the prices of provisions risen since the time when the market was farmed?—I understand so.

1960. Do you know it of your own knowledge?—No, I cannot tell the price of provisions; I do not know the minute details, but the prices of provisions, I am told, have risen.

1961. Then, from your own knowledge, you are not able to state whether the increased price of provisions has been caused or not from any alteration in the sum charged for stalls in the market by the market farmer?—No, I cannot tell from my own individual knowledge, but I hear from others who buy provisions there.

1962. Mr. *Spooner.*] Before the market was farmed, who received the rents of the stalls?—The government. The government had a Chinaman in charge of the market-place, who received so much a month for looking after it and keeping it in order, and he collected the revenue for the stalls. The object was not to collect more than would pay the expenses of the establishment.

1963. And since it was farmed have the terms been such as the farmer chose to put upon them?—I believe so.

1964. Mr. *Hawes.*] Do you know it or not?—I cannot tell.

1965. Dr. *Bowring.*] Have you heard the system of farming the market stalls frequently complained of?—Frequently.

1966. Mr. *Moffatt.*] In what year did this farming of the market commence?—I believe it commenced with all the other farms in about 1844.

1967. Mr. *Hawes.*] When you speak of complaints, will you state to the Committee accurately what is the nature of the complaint which you have heard about this farming of the market?—I have merely heard general complaints that provisions are much dearer, and I know for a fact that the provisions which we get at Hong Kong are not of such good quality as we get at Canton; I attribute that to the market being farmed.

1968. Would it not be to the interest of the farmer of the market to have his market well supplied with good provisions?—I do not know how it is, but the provisions are not so good.

1969. Does the farmer of the market interfere with the supply of provisions to the market?—I do not know the details of the system.

1970. *Chairman.*] You spoke to the fact of the supply of provisions not being so good?—The provisions are not of such good quality.

1971. Have you heard the management of the market complained of?—Merely as to price.

1972. Mr. *Moffatt.*] The effect of the farming is to prevent the free supply of provisions?—It is.

1973. How does it prevent the free supply of provisions?—The market is evidently in the hands of a corporation; it is in the hands of the parties who are connected with the farmer; and the supply is monopolized by them.

1974. How do they prevent, in any way, the market being supplied with provisions?—I cannot enter into these minute details; all I mean to state is, that in the Government return from Hong Kong, there is a revenue of 1,500 *l.* put down to the credit of the Government, said to be derived as the profit from the revenue from the market. I cannot enter into the matter more minutely than that.

1975. Do you or not know that Covent Garden belongs to the Duke of Bedford?—I understand so.

1976. Have you heard that the fact of that being the private property of the Duke of Bedford has interfered with the fair supply of vegetables?—Decidedly not.

1977. Mr. *Moffatt.*] Did you ever hear that Covent Garden was farmed out?—I never heard that it was farmed out.

1978. Will you be good enough to state to the Committee how the farming system operates as regards intercourse with respect to various supplies of provisions in Hong Kong?—The general system of farming at Hong Kong is this: a Chinaman takes a farm; he gets a great many dependents about him, and gives those people an interest in the farm; and all people beyond those dependents are excluded from the place altogether; they are not allowed to participate in it in any way. And my idea of the market is this: that a Chinaman farms the market-place; the stalls are all let to his own immediate dependents, and they share the profits among them all, in a way which nobody can understand.

1979. Then a monopoly is thereby created as against the residents?—Precisely.

1980. A resident desiring to import provisions into that market and sell them, cannot do it?—Decidedly.

1981. Are you aware that in Covent Garden no such prohibition exists?—I believe not.

1982. Mr. *Hawes.*] Do you or not know whether any restriction whatsoever exists as to the supply of provisions in the market at Hong Kong?—I have answered that question, I think.

1983. Do me the favour just to answer it distinctly now; is there anything to interfere with the full and free supply of provisions to that market?—It is interfered with in this way: a stranger, for instance, to the farmer, coming to Hong Kong with provisions, would not be allowed perhaps to get into the market with them; he would interfere with parties connected with the farmer who had the same sort of things to sell.

1984. Is the supply interfered with?—The supply is tolerably abundant; the supply is a monopoly.

1985. The parties selling at the market may pay more than they ought for their stalls; but is there anything to prevent their obtaining the largest supply that they can obtain for sale to their customers?—You are asking me minute questions, which I cannot answer from personal knowledge. I merely state a general fact, that we in Hong Kong suffer from the market being farmed by a Chinaman; but I cannot enter into any minute details, having never bought provisions myself. I have sent my servant to buy them; and if my servant were here, he could answer the questions that you are putting to me.

1986. You are not able, then, to state to the Committee how that injury is inflicted upon Hong Kong?—Not minutely; I can give a general idea of it, but I cannot give it minutely.

1987. Is there any interference with the supply?—There is no interference with the supplies which come through the farmer and his dependents; none whatever.

1988. Mr. *Matheson.*] Can any other man bring provisions, and sell them readily, at Hong Kong?—No, he cannot. I lived at a distance from the market, and at one time I wished people to come to me, and bring their provisions to me, without having the trouble of sending my servants to the market, and the thing was interdicted; they were not allowed to bring them to me.

*A. Matheson*, Esq.

4 May 1847.

1989. It was prohibited by whom?—The Government.

1990. Mr. *Hawes.*] That is to say, that all provisions that are sold must be sold in the market?—Yes; and if the market were an open market, upon the principle upon which Colonel Malcolm established it, it would be no grievance whatever.

1991. Then there has been a deviation from the regulations laid down by Colonel Malcolm?—Certainly there has been.

1992. Mr. *Moffatt.*] Colonel Malcolm did not farm the market?—No.

1993. Mr. *Parker.*] Do you know anything of the markets at Singapore?—No.

1994. Viscount *Jocelyn.*] Do you know anything of the markets at Macao; what the rule was there?—At Macao I believe it was an open market; there is no regular market place at Macao; the people sell their provisions at stalls in the street; it is not an inclosure.

1995. Do you think the supply at Macao was a better supply than the supply at Hong Kong, and cheaper?—Yes. When I first went to Hong Kong, things were far cheaper than at Macao, and they gradually rose in price until now they are more expensive.

1996. Dr. *Bowring.*] Do you attribute that to this monopoly?—Yes, in a great measure.

1997. Mr. *Hawes.*] To this system of farming?—Yes.

1998. Dr. *Bowring.*] Do I understand from you that the supply is regulated by the monopolist with a view to his own profit, rather than the necessities of the population?—The supplies are always abundant; there are plenty of provisions to be had, but at a price which, of course, must remunerate the monopolist; he must charge an additional price, in order, first of all, to pay the farm, and then to put a profit in his own pocket.

1999. Is not that high price maintained by the exclusion of any superabundant supply?—It does not signify what the supply is; you can only buy in one place.

2000. Are not the high prices kept up by the monopoly, by the exclusion of a superabundant or redundant supply?—The high prices are kept up by preventing interlopers from coming into the market.

2001. Do you believe that if the monopoly were removed, the prices of provisions would be as low as in the Macao market?—I do.

2002. And they are now much higher at Hong Kong?—They are much higher than they were formerly at Hong Kong.

2003. Mr. *Hawes.*] But the population has very much increased, has it not?—No, it has diminished.

2004. At Hong Kong?—Yes.

2005. Since when?—During the last three years.

2006. Do you state that from official documents?—No. I know several people who lived at Hong Kong three years ago, and who have left the place.

2007. *Chairman.*] Has the general population diminished?—The respectable population has diminished. The population of Hong Kong fluctuates every day.

2008. Dr. *Bowring.*] Is the population of Hong Kong a very fluctuating one?—Very. Sometimes 2,000 or 3,000 men arrive in a week, and go away perhaps the following week.

2009. Mr. *Moffatt.*] Your evidence, perhaps, is with reference to the British residents?—Yes.

2010. Not to the general population?—No.

2011. Is the market rent farmed by the same individual, and under the same influence, as the opium is farmed?—That I do not know.

2012. Mr. *Parker.*] For what period are those licences with respect to the market given?—I believe for a year; they are renewed every year.

2013. Would it not be against the interest of the party who farmed it, to farm it upon a principle which would very much curtail the supplies?—I do not understand the question.

2014. Supposing a limitation of the supply, would the same price be given at the expiration of the first period, when the farming would be left to open contract; would not, in point of fact, the interest of the party who has these licences, and farms this provision place, be coincident with a fair and reasonable supply to the public?—Decidedly; there is no complaint as to the quantity of the supply.

2015. Have you ever heard that the system of farming at Hong Kong was formed upon the model of Singapore?—I have heard so.

2016. Mr. *Hawes.*] Suppose the market was entirely in the hands of the Government, and the charges were moderate, would there be any objection, speaking as a merchant, to that, as a source of revenue for the internal expenditure of the island?—I think it would be a very objectionable source of revenue. I think it would be most desirable that provisions should be as cheap as possible in a new colony like Hong Kong.

2017. Suppose there were no interference with the supply of provisions at all, but simply a moderate charge upon each stall, and anybody could sell in the market, would you have any objection to that?—I think it would be a great benefit.

2018. There would be no objection to it as a source of revenue?—As a source of revenue there certainly would be an objection. I think it would add to the cost of the provisions, which is always objectionable, particularly where there are an immense number of labourers, as there are in Hong Kong; it is desirable that provisions should be as cheap as possible.

2019. Was not the market built by the Government?—It was; they ought to raise a sufficient revenue to cover the expenses of the market place, decidedly.

2020. From stall rents?—Yes.

2021. Then there would be no objection, if there were fair and reasonable stall rents charged, to that as a source of revenue?—Decidedly not.

2022. Viscount *Jocelyn.*] I understood you to say that that was the system in Macao?—No; the people sell their provisions in the streets there; in a certain locality in Macao, but in the open streets.

2023. There is no revenue derived from that?—No; there is no regular market at all.

2024. Dr. *Bowring.*] The people at Hong Kong have no objection to a special payment for a special service?—Decidedly not.

2025. Mr. *Hawes.*] Take the next head of revenue, "Rents of buildings;" there is no objection to that, I presume?—None whatever.

2026. Take the next, "Fees on grants of leases;" is there any objection to that?—They are a mere trifle.

2027. They are not in excess at all, are they?—I do not think they are; they are trifling.

2028. You have heard of no objection to them?—No; they were very high at one time, but they have been reduced. I do not think they are objectionable now.

2029. Take the next item, "Fees on appointment of serangs;" what are serangs?—Serangs are crimps.

2030. Is there any objection to that as a source of revenue?—I think there is an objection to crimps; they demoralize the sailors at Hong Kong very much. The sailors go to the houses of those people, and get drunk, lose all their money, and a great deal of demoralization ensues; and they get into bad health very often; they get fevers, and die there.

2031. Is not the object of those fees, that those parties may be licensed and known, and that the Government may have some control over them?—That is the object. The system of crimps is rather discountenanced in India.

2032. Does it operate as any wholesome check or control over them in Hong Kong?—It limits the number of them, decidedly.

2033. Have you ever heard any objection to it?—I have heard objections, but I am not prepared to state any very strong objections.

2034. Mr. *Moffatt.*] What duties do serangs perform?—They are crimps.

2035. What do crimps do?—The business of those crimps is to harbour sailors when they get on shore.

2036. Do they supply the sailors with provisions?—When a sailor leaves a ship and goes on shore, they board and lodge him until he gets another ship.

2037. A sailor can go nowhere but to one of those serangs?—That is the usual place to which they go.

2038. Mr. *Hawes.*] Are they confined to the houses of those serangs?—No, they go and live there.

2039. They are not confined to those houses?—No.

2040. Mr. *Moffatt.*] The Chinese cannot receive a sailor unless they have paid for this licence as a serang?—They cannot.

*A. Matheson*, Esq.

4 May 1847.

2041. Mr. *Hawes.*] Generally you are not prepared to state any objection to that?—I am not.

2042. It is a very trifling sum that they pay?—Very trifling.

2043. "Fees on marriages and burials;" is there anything which you have to say on that?—People complain that they are very heavy; for instance, the fee on a marriage is 50 dollars.

2044. Dr. *Bowring.*] Is that the fee on every marriage?—Yes.

2045. Is that independent of the fee paid to the clergyman?—Entirely; the clergyman's fee is a private thing altogether. I have known instances where people have gone from Hong Kong to Macao, to get married at Macao in order to avoid the fee.

2046. Mr. *Hawes.*] Are there equal objections to the fees on burials?—The fees on burials are very high.

2047. Dr. *Bowring.*] Are they the same in all classes of society?—Not the same.

2048. Mr. *Moffatt.*] Is there a published table of those fees?—There is at Hong Kong.

2049. Mr. *Hawes.*] Has it ever been made a matter of complaint to the Government, do you know?—It has been.

2050. As being too high?—As being far too high.

2051. Then there are "Fees on registering boats;" can you give us any explanation of that?—I cannot; the registering of boats came into operation, I think, after I left the colony.

2052. What was the object of that, do you happen to know?—I believe the object was to have a sort of surveillance over the boats; to have a check upon strange boats coming to the place.

2053. To prevent smuggling?—No; to prevent thieving, I suspect, more than to prevent smuggling.

2054. Were not there very great disturbances in the harbour, and was not it necessary, if possible, to identify the parties disturbing the peace, which led to this registration of boats?—There were frequent disturbances in the harbour; and I believe that the origin of them was in a great measure with the farmers, the opium farmer in particular, who kept boats constantly running about the harbour to see that there were no trespassers upon his farm; those boats frequently attacked strange boats coming into the harbour, which were perfectly innocent of any offence.

2055. Is there any objection to the registration, or is your objection rather to the mode in which the opium farmer manages his boats?—My objection is to the whole system.

2056. To the whole system of registration of boats?—Yes.

2057. You would have no registration?—I would have no registration; I would have everything as free as possible.

2058. You would have no registration of boats, because you would have no opium farm, and no duty upon any article sold in the island?—Precisely. I have another objection to that registration of boats; it prevents strange boats from coming to Hong Kong; for instance, a strange boat coming for any purpose whatever, without a pass, might be detained three or four days before it could get a pass, and until it got a pass it would be liable to seizure, and perhaps the boatmen might be flogged if they were found without a pass.

2059. Then your objection is, that it interferes with the trade of the island?—It interferes with trade and communication.

2060. To prevent disturbance, if you have no registration of boats, you must have some police?—You must have a strong police. I am clear that there ought to be a very strong police.

2061. How do you propose that that police should be paid?—From the land rents.

2062. Not by any source of revenue in the island?—I do not think you could raise that revenue in the island beyond a year or two.

2063. The opium farm yields a revenue?—It will not yield the same revenue next year.

2064. You think it is a declining revenue?—I am certain of it; it is becoming a losing concern now to the present farmer.

2065. "Fines and fees in magistrate's courts;" can you give us any information upon that?—I consider them excessive.

2066. The fines or the fees?—Both. I have known poor Chinamen fined five dollars and ten dollars each, who did not earn perhaps above six dollars a month, or perhaps not so much.

2067. And in the event of nonpayment of the fine, what is the punishment?—They are flogged.

2068. Or imprisoned?—They are flogged or imprisoned, or have their tails cut off.

2069. Under a local ordinance?—Yes.

2070. Have there been objections taken in the colony to that local ordinance?—I am not sure that any remonstrance has been made to the Government about it, but it is considered very objectionable.

2071. Mr. *Moffatt.*] It is only the Chinese that are flogged, I suppose. You do not know of a British subject being flogged?—Never.

2072. Dr. *Bowring.*] Is not the cutting off their tails a most ignominious punishment?—It is.

2073. And is it not likely to have the effect of compelling a man who might be otherwise disposed to amend, to continue a rogue?—Very often. They are not satisfied with cutting the tail off, but they shave off the place where the tail was. If they would leave a little bit of hair they could tie on a fresh tail, but they shave off the roots as well as cut the tail away.

2074. Then you think that that system of punishment is likely to confirm a man in bad courses, rather than to reform him?—I have no doubt it drives many to desperation, and makes robbers and thieves of them.

2075. Mr. *Hawes.*] Are they, or are they not, generally rather desperate characters that are brought to the police courts there?—I have known very respectable men brought there.

2076. And subject to this punishment?—Not perhaps subject to that; but respectable men have been taken to the police court for being found without a ticket; without being registered.

2077. Mr. *Moffatt.*] What happened upon those occasions; were they fined?—I believe some of them had their tails cut off.

2078. For simply being found without a ticket?—Yes. I know that many respectable Chinamen object to go to Hong Kong under the dread of such a thing happening to them.

2079. Sir *G. Staunton.*] Do you think on the whole that that mode of punishment, of cutting off the tails, could be altogether discontinued at Hong Kong, under all circumstances?—Perhaps not under all circumstances; but I think it ought to be discontinued for petty offences.

2080. But still you would reserve it for a certain grade of offences?—Yes.

2081. Dr. *Bowring.*] You would only approve of it for crimes of a high order?—Yes.

2082. Mr. *Hawes.*] And I understand you to say, as the result of the whole, that the fines you think are too heavy, and the fees are too large?—The fees are too large.

2083. And the fines are too heavy?—The fines are generally too heavy.

2084–5. Dr. *Bowring.*] Are the heavy fees a great impediment to the administration of justice?—Yes, decidedly.

2086. And are there not cases in which their burdensomeness makes justice as inaccessible to the poor?—I am not prepared to state that; it may have that effect.

2087. Mr. *Hawes.*] It does not come within your knowledge?—No.

2088. Mr. *Moffatt.*] Have you ever heard of these practices obtaining in any other of the British settlements in the East; the practices with regard to the infliction of these punishments upon the Chinese?—No, I am not aware of their extending to other settlements.

2089. Dr. *Bowring.*] Have you witnessed any cases of the infliction of corporal punishment?—I have not.

2090. Is it within your knowledge that corporal punishment has been inflicted in a great variety of cases?—I have heard of cases where people have been flogged by mistake at the police-office.

2091. And could they obtain redress?—No.

2092. Mr. *Hawes.*] Does that at all come within your own knowledge?—It does; it is a matter of notoriety.

*A. Matheson*, Esq.
4 May 1847.

2093. With regard to the next head, "Licences to Publicans and Spirit Dealers;" have you anything to say upon that?—I have heard it stated that the fees on those licences were too high.

2094. Is there any objection to that as a source of revenue?—No, I do not think there is.

2095. Mr. *Moffatt.*] Is that farmed; is it in the hands of one person?—No.

2096. Every one has the right of going and getting a licence?—Yes; paying 100 dollars each for a licence for one year.

2097. Mr. *Hawes.*] Does that apply to the other smaller licences, "Pawnbrokers, Auctioneers, Salt Brokers, Billiard Rooms, Opium-farming, and Stone-quarrying"?—The pawnbrokers' licences are granted to individuals.

2098. Cannot an individual demand it upon paying the fee?—I believe he can.

2099. It is open to any one, then, who pays the amount of the licence?—Yes.

2100. And that applies to the other small source of revenue?—It applies also to auctioneers' licences. The salt broker's is a monopoly; there is only one salt broker in Hong Kong; it is a strict monopoly; it is farmed, and in the hands of one man.

2101. Can you at all inform the Committee how the salt is collected?—The salt is brought to Hong Kong in junks; the junks come from the east and west coast; they come in from sea to Hong Kong.

2102. It is not made on the island?—No, they bring the salt in from sea. When they get into smooth water they tranship their cargoes, and put the cargoes perhaps of two junks into one, so as to save expense in going higher up the river. The monopoly of the salt farmer arises from the tax which he levies upon the transhipping of the salt from one junk to the other.

2103. Dr. *Bowring.*] Is the amount of that tax fixed by the government?—It put up to auction annually.

2104. The amount of that tax is not fixed by the government?—No, the farmer is allowed to charge what he likes.

2105. Mr. *Hawes.*] He pays for his licence, and charges what he likes upon the transhipment?—Yes; the consequence is that very few salt-junks come to the harbour at all; the trade is diminishing annually.

2106. Mr. *Moffatt.*] What is the difference in price between salt in Macao and salt in Hong Kong?—This salt is never landed at all at Hong Kong, or sold there.

2107. Dr. *Bowring.*] It is then a mere transit duty?—Yes.

2108. Mr. *Spooner.*] The advantage which this farmer gains is from the charge which he makes for the shipping of the cargo of one junk into another?—Precisely; the salt-junk men used to create disturbances; they used to quarrel among themselves sometimes, and the farmer is bound to keep them in order, as well as to pay the tax to the government; he is held bound for the good conduct of the salt-junk men.

2109. Dr. *Bowring.*] Does the same farmer supply the Hong Kong market with salt?—The salt is never landed there at all.

2110. Not for the consumption of the place?—No.

2111. Mr. *Moffatt.*] Where do they get the salt at Hong Kong?—There is no scarcity of it; the price is quite a trifle.

2112. Mr. *Hawes.*] Then there is "Duty on sales at auction"?—That is a most objectionable thing.

2113. Will you state why?—It prevents goods being landed at Hong Kong to be sold at auction; for instance, damaged goods arriving in ships. A great many goods are carried up to Canton, and sold at auction there, instead of being sold at auction in Hong Kong. There is no duty in Canton.

2114. Therefore it is injury to the trade of the island?—It is; and the amount is a mere trifle.

2115. Dr. *Bowring.*] What is the per-centage upon the value in auctions?—I think it is 2 ½ per cent.; I am not quite sure about it.

2116. Mr. *Hawes.*] "Police assessment;" can you give us any information upon that?—The police assessment, I think, is a tax of five per cent. upon the rents of houses; it is levied from the proprietors of the houses, not from the tenants.

2117. From the lands?—From the lands; we remonstrated against that at one time; we thought it ought to be levied from the tenants,

2118. Otherwise have you any objection to state to it?—Merely that it is very excessive; it adds to the other burdens very much; it makes living at Hong Kong very expensive.

2119. Dr. *Bowring.*] Is it specially applied to police purposes?—I believe it is applied to the police and the roads.

2120. As a separate fund?—Yes.

2121. Mr. *Hawes.*] Is your objection then that it is too heavy, or do you object to any assessment at all for police?—I object to any assessment at all.

2122. For police?—Yes; any separate assessment.

2123. You think the inhabitants of Hong Kong should pay nothing for their own security?—I think they pay enough when they pay a heavy ground rent, 300 *l.* an acre for ground rent per annum.

2124. This charge therefore you think should be thrown upon the government generally?—Upon the government. And I thought that Sir John Davis acted very unfairly when he proposed that tax. The reason why he did not throw it upon the tenants was, that the government themselves were tenants of a great many houses, and would have had to pay it in that case.

2125. Dr. *Bowring.*] Are all the police functionaries nominated by the government?—All of them.

2126. Even to the most subordinate?—Yes, all of them.

2127. Mr. *Hawes.*] What is the meaning of "Contribution in aid of police expenses"?—I believe that is a tax upon houses of bad fame; they pay five dollars a month each, I understand.

2128. Does that continue now?—I believe it does. I see it was levied up to the end of last year.

2129. Can you give us any information upon that; what has led to it?—I cannot give you any information from personal knowledge, but I can state what is considered to be the fact in the colony, that each house of bad fame pays five dollars a month, and each woman in that house pays one dollar a month.

2130. Did that arise out of great abuses and great disturbances; was there any intention, in thus levying a tax upon those houses, to bring them under the control of the police?—I am not aware that there were any particular disturbances.

2131. Did you never hear of any disturbances in the harbour and in that part of the town?—Not more than there are in sea-port towns generally. Sailors sometimes get drunk and kick up a row there.

2132. Mr. *Spooner.*] You say each woman pays a dollar a month; to whom do the women pay that?—To this police fund.

2133. Mr. *Hawes.*] Is there not some hospital maintained by the government, which is paid for out of this source of revenue?—There was at one time a hospital. I do not know whether it is carried on now or not.

2134. And which this source of income went to support?—Part of it, I believe. This must be the surplus, after paying for that.

2135. Dr. *Bowring.*] Have you any idea of the number of houses which obtain those privileges?—I do not know what the number may be now. I remember a statement in a Hong Kong newspaper, some two or three years ago, which gave their number. I made a memorandum of it. The number is very great. I see, in 1844, there were 26 houses, and each house had upon an average 15 women in it. That is from a Hong Kong newspaper; I do not answer for the truth of the statement.

2136. Mr. *Hawes.*] Do you mean to say that they are licensed as brothels?—No, I do not mean to say that they are licensed, but that if they open a brothel they are obliged to pay those fees.

2137. When they open a brothel, do not they open a lodging-house, in fact?—I suppose they do.

2138. Mr. *Moffatt.*] But it is distinctly understood that they pay this fee of five dollars per month?—Nobody in the colony doubts it.

2139. Mr. *Hawes.*] Are you quite sure that there is any income derived from the women?—I believe there is.

2140. Are you quite sure upon it?—I cannot be quite sure, for I have not heard it from the women.

2141. But you might have known from official persons in the colony that there is an income so derived; do you know that from any authentic source?—I do

*A. Matheson*, Esq.

4 May 1847.

know that there is an income derived from the women, from an authentic source.

2142. Dr. *Bowring*.] Do you think that this system is in any way a check upon the public immorality there?—No, I do not think that it is a check.

2143. Mr. *Hawes*.] There is a receipt in this Return from "Sailing letters and passes granted by Her Majesty's superintendent of trade"?—Yes, that is very moderate.

2144. What is it?—It is colonial vessels which have not a British register; the Government of Hong Kong grants a pass to trade on the coast of China for one year, for which, I believe, the fee is five dollars; it is a very moderate fee.

2145. Dr. *Bowring*.] Upon what class of vessels is that levied?—Vessels not entitled to a British register.

2146. Mr. *Hawes*.] Will you look at the disbursements, and without going through them in detail, will you make any observation which you have to make upon them to the Committee?—I have no particular observation to make upon the disbursements. Under a different system of Government I think the expenses might be considerably curtailed.

2147. How would you propose to curtail the expenses?—Each of those departments has an office, and a head clerk, and assistants. If those farms were abolished, the services of all those people could be dispensed with. I think the system of government at Hong Kong could be very much simplified, and carried on at a much cheaper rate.

2148. Will you state generally what you would propose from your experience?—I think that a colonial secretary and a land officer might do nearly the whole work there, with one or two assistants, so long as there was no revenue except from the land.

2149. Do you think that that would answer the object for which Hong Kong was established, that of being an establishment representing as it were the British Government, and to protect British trade in those parts?—First of all, I think the Governor's salary ought not to be reduced; I would not make any reduction in the Governor's salary.

2150. Then you would retain a Governor?—I would, decidedly.

2151. And a colonial secretary?—And a colonial secretary, who would also act as treasurer.

2152. Sir *G. Staunton*.] You would abolish the treasurer's place?—I would, decidedly. It is necessary to have a land officer or surveyor-general.

2153. Mr. *Hawes*.] You must have also officers for the administration of justice?—Decidedly; you must have a judge and a police magistrate, and an attorney-general.

2154. What amount of reduction do you think could be made?—I have never seen a detailed statement of the disbursements.

2155. Looking at the amount before you, does anything occur to you?—Yes; I see 30,000 *l.* for salaries; I think that might be reduced. I can only give a very rough opinion upon that subject I think it might be reduced at least 10,000 *l.*

2156. The military expenditure must be large, of course?—The military expenditure must be large, so long as the present number of troops is retained in the island.

2157. Do you propose to diminish the number of troops?—I think they might be very considerably diminished.

2158. Without prejudice to the influence of British power in those parts?—I think so; I think there are a great deal too many troops kept there; many more than are required.

2159. Dr. *Bowring*.] In your own establishment, do you employ British troops for your protection?—We are obliged to keep up a police for our own protection; we have 12 armed men.

2160. You pay the expenses of that police?—Yes; although we pay police rates, we are obliged to have a police of our own; we cannot depend upon the colonial police.

2161. Mr. *Hawes*.] That you pay for out of your own private resources?—Yes. Our police cost us 250 dollars a month, when I left China; that is about 60 *l.* a month.

2162. Is that the case with other merchants there?—No; other merchants do not require to keep up so expensive an establishment. We are situated at some distance from the rest of the town; we are perhaps half a mile from any part of the town.

2163. Dr. *Bowring.*] Notwithstanding the payment of heavy police rates, does the police of the colony afford you no protection?—It affords us a sort of general protection; but every merchant almost, keeps a private police of his own; he keeps two or three men of his own, independently of the general police.

2164. Mr. *Hawes.*] Whether living at Victoria or not?—Whether living at Victoria or not.

2165. Is it the case in Victoria itself?—Yes; that many people keep private watchmen.

2166. Mr. *Moffatt.*] In consequence of the inefficiency of the general police?—No, I do not think so much so.

2167. Viscount *Jocelyn.*] That is a common habit; in Calcutta they do the same?—Yes; I do not think the general police is sufficiently strong to afford that protection to the inhabitants which would enable them to dispense with that private police.

2168. Mr. *Hawes.*] Of course if the police were strengthened or increased in number, it would be a still heavier charge upon the colony?—Yes.

2169. Mr. *Moffatt.*] Do the troops serve with the police?—Not at all.

2170. What number of troops are there in Hong Kong?—I cannot say, at present.

2171. In 1845?—I cannot say what number; perhaps 1,200.

2172. Dr. *Bowring.*] Is the police which you employ composed of natives principally?—Yes; Indians, Sepoys.

2173. Mr. *Harcourt.*] To what sort of depredation are you liable?—To night attacks.

2174. By individuals or persons in gangs?—Gangs of robbers.

2175. To what number?—I have seen 30, 40, or 50 men come armed; I have seen two men shot at our premises; we shot two men one night there.

2176. Mr. *Matheson.*] Did not they plunder some hospital?—The Morrison Institution was plundered one night.

2177. Mr. *Harcourt.*] When men are shot in that way, does any public inquiry take place?—Yes; there is a coroner's inquest the next morning.

2178. Viscount *Jocelyn.*] Do you know of any proposal made some time ago by the merchants, on the first arrangement with respect to the police, they offering to pay for them?—I am not aware; the merchants were very much opposed to the police rates at Hong Kong; when they were first imposed, some of the merchants resisted paying them for some time.

2179. Before the establishment of the police there, was there not some proposition by the merchants?—I am not aware of any such; I do not remember any such.

2180. Dr. *Bowring.*] Is the cost of the colonial government at Hong Kong a subject of general complaint there?—Among the merchants there?

2181. Yes?—It is considered very expensive. So long as the present system is carried on, I do not know that it could be managed more cheaply.

2182. A better system might be a cheaper one?—Considerably cheaper. I do not think the salaries are too high for individuals.

2183. But you do not think the functions well distributed among the individuals?—Under a different system the number of individuals would not be required. I do not think the scale of salaries is at all too high, but quite the contrary.

2184. Mr. *Moffatt.*] But you think the total of 30,000*l.* per annum too much?—Without knowing the details, I should say it was too much.

2185. Mr. *Hawes.*] Is it or is it not within your recollection that the merchants applied for the establishment of a police?—I really do not recollect it, but it is very probable; there was great want of a police.

2186. You began your examination by stating that the native trade passed through the harbour of Hong Kong?—Yes.

2187. And that that has ceased?—Yes.

2188. Will you state the cause of its ceasing?—One reason is, the dread of the preventive service kept up by the opium farmer.

2189. Do you think that has been a main cause?—I think it a very material cause. At first they were deterred from coming in consequence of every native vessel that came into the harbour being boarded by the master attendant's boats. When they could not produce a pass they were liable to get into trouble.

2190. A pass from whom?—From some Chinese authority; from some Chinese mandarin.

2191. Is not that pass required under the treaty?—It is required under the treaty, but now it is dispensed with. A junk coming into the harbour now would not be required to produce a pass.

2192. Mr. *Moffatt.*] Although, I believe, the treaty is still in existence?—The treaty is still in existence.

2193. Mr. *Hawes.*] Practically then, that article in the treaty is not acted upon?—It is not acted upon.

2194. Mr. *Harcourt.*] Is no complaint of that made by the Chinese government?—No.

2195. Mr. *Hawes.*] You stated also that if Hong Kong were made a free port, which it was previously to 1843, the trade would be increased?—I did.

2196. What do you mean by making Hong Kong a free port; there are no customs there now?—There is worse than a custom-house. Every native vessel that enters the harbour is immediately boarded by a set of those preventive service people. It is under surveillance so long as it remains there; it is watched.

2197. Do you mean that it is boarded by the agents of the opium farmer?——Yes.

2198. Simply for the purpose of protecting his privilege to sell opium in the island?—My belief is, that the vessels are often robbed by those people.

2199. But the pretence for boarding them is to examine whether or not they have opium?—Those opium farmer's boats are always going about the harbour, and there are also police boats going about the harbour belonging to the Government, from the police-office; and both descriptions of boats the Chinese dread very much.

2200. Do I understand, that if the opium farm were abolished, supposing that such a revenue could be given up, then Hong Kong would be in your sense a free port?—If all the farms were given up, Hong Kong would be a free port.

2201. Internal farms do not affect the question of external trade at all?—No.

2202. Then if the opium farm, which is in the nature of a customs duty, as you are speaking of it, were given up, do I understand you that Hong Kong, according to your view, would be a free port?—Yes.

2203. That would remove all your objections?—It would remove the principal difficulties now.

2204. Dr. *Bowring.*] Does the farmer by his agents enter any vessel without any warrant?—Yes.

2205. Mr. *Moffatt.*] A pass is not required?—No.

2206. And you have no transit dues?—No, none.

2207. Dr. *Bowring.*] Independently of any other authorities, can the agents of the opium farmer go on board a British ship and examine her?—Not a British vessel; only native vessels.

2208. Mr. *Hawes.*] Then the opium farmer only boards native vessels, in order to ascertain whether they have opium on board or not?—Yes, that is the plea.

2209. Why does he require to know whether there is opium on board or not, before it is landed?—I do not think he requires it at all.

2210. You think it is an abuse, then?—I do.

2211. Not sanctioned by law?—I do not think it.

2212. Mr. *Moffatt.*] Who clothes him with the authority to board the vessel?—The Government must do it; it is part of his privilege as farmer.

2213. Dr. *Bowring.*] Without any special warrant?—I fancy without any special warrant; I do not suppose he has any.

2214. Mr. *Hawes.*] You stated that if Hong Kong were made a place of unrestricted trade, it would become a great depôt for trade in those parts?—Yes.

2215. Would the trade be unrestricted if the opium farms were abolished?—Yes, it would.

2216. That is really the objection which you mean?—That and the tax upon auction sales.

2217. That is a small tax?—It is a small tax, but it might be a large one; it is small, because no goods are sent there to be sold by auction.

2218. Therefore it operates mischievously and extensively, though it is a very small tax in point of revenue?—Just so; that is exactly my meaning.

2219. Supposing we could afford to give up the opium farm as a source of revenue, would you propose any source of revenue which would be less objectionable?—No, I could not; I do not think that that would be sufficient to restore the prosperity of the place.

2220. What would be necessary beyond that?—I do not think Chinamen would come to settle there; I do not think they could afford to pay the present land rents for sites of houses.

2221. You think the land rents are too high?—I do; they act as a bar to the sale of land.

2222. How do you account for their increasing then?—I cannot imagine it; I am quite satisfied, that unless there is a change, a great many people who hold property in the island will throw it up in addition to those who have done so already.

2223. Are you not aware that the source of revenue from land rents has been a steadily increasing one, year by year, however small?—I am not aware of it; I believe that many people did not pay their rents at all for some years, and that probably the apparent increase in the rents arises from arrears which have been collected lately; I think that may be possible.

2224. Is not land still selling at high prices?—Not that I am aware of.

2225. How long have you left Hong Kong —I left Hong Kong in March last year.

2226. Do you know of any recent land sale there?—There was a land sale shortly before I left; a very few of the lots were taken off at the upset prices; a great many of the lots were not sold at all; but some of the lots that were sold have been thrown up since.

2227. Is there a deposit paid upon them?—A very trifling deposit; I forget how much it is; I think 10 *l.* a lot, or something like that. The deposit is a great deal too small; that is one of the circumstances which has led to so much gambling in land. A man bought land and paid a small deposit, and if it turned out a good thing, he abided by it; and if it turned out a bad thing, he threw it up, and forfeited his deposit.

2228. Are you of opinion that there should be a higher deposit made, in order to bind the party to the bargain?—I have frequently advised the land officers to increase the deposit; it ought to be increased very much indeed; it ought to be increased so much that none but people of capital would buy land. I have been at several of the land sales, and have seen men buy land whom I knew not to be worth one farthing in the world.

2229. Mr. *Moffatt.*] You would recommend the imposition of something like 20 per cent. upon the parties?—Yes.

2230. Mr. *Matheson.*] You refer to the lease of the land?—Yes. Most of the bidders at auction sales of land at Hong Kong are clerks in offices, men who have nothing.

2231. Mr. *Hawes.*] I suppose all the available spots, and the advantageous plots of ground, have been disposed of?—I have known one of the best plots in the colony put up for sale within the last year. I have heard of its being put up for sale, and there was not a bidder for it.

2232. Mr. *Moffatt.*] Was that by the sea?—Yes, on the sea-shore; Messrs. Grey & Company's lot.

2233. Dr. *Bowring.*] A lot which had been already purchased?—A lot purchased at Captain Elliott's first sale, but not built upon.

2234. And this was an attempt at re-sale?—Yes, and there was no bidder for it.

2235. Mr. *Hawes.*] At re-sale; not at the ordinary upset price of Government land?—The party to whom the lot belonged had expended some money upon it.

2236. Therefore it was sold subject to that charge?—It has not been sold at all.

2237. It was put up subject to that charge?—I suppose it was put up, probably, subject to that charge.

2238. Have you known Government lands recently put up, which have met with no purchaser at the upset price?—I have.

2239. In many cases?—In many cases.

*A. Matheson*, Esq.

4 May 1847.

2240. Has not it been the case at all Government sales, that many lots have been put up, even in the most flourishing times of the colony, and not taken?—At the early sales, I believe, all the lots were taken by some party or another, and many of them were thrown up afterwards.

2241. Why were they thrown up at that time?—Because they were found not to be an advantageous investment.

2242. Was not it, in point of fact, because no deposit was paid, and the parties did not care about the extent of their purchases?—I have known lots thrown up after the deposit had been paid. I have thrown up land myself after paying the deposit upon it.

2243. In an advantageous situation?—Yes.

2244. Near Victoria?—Yes, near my own residence there.

2245. That is half a mile from Victoria?—It is all Victoria; I consider that I am living in Victoria.

2246. Mr. *Moffatt.*] You have stated that you have made a contract for land and thrown it up; it is a custom, and you have a right to do it, having paid this small deposit of 10 *l.* a lot?—The smallness of the deposit enables people to do it.

2247. What is the practice of the Government in setting up this land for auction; do they fix a price for it?—They fix the upset price.

2248. And then the bidders advance upon that price?—Yes.

2249. Mr. *Hawes.*] Have the terms upon which land is sold affected its sale, independently of the supposed declining state of the colony?—I think so. The fact is, that if people had known at the commencement, before they began to lay out money at Hong Kong, that they were only to get a 75 years' lease, not one man would have built in the colony at all. I would consider it an act of madness on my own part to build at Hong Kong on a 75 years' lease.

2250. In England we build upon 60 years' leases very freely?—I would consider it most unwise to do it there.

2251. Do you think that the fee-simple of the land should be sold?—Either that or a long lease.

2252. A longer lease than 75 years?—I should say 999 years; something like that.

2253. That is to say; in point of fact, that the freehold should be sold?—No, I would not say so. Perhaps, after all, the easiest way of raising a revenue would be by a moderate land rent; it would be the simplest mode, and require fewer hands to do it, which is a great matter in a place like Hong Kong.

2254. Therefore it would be desirable to sell land upon a certain length of lease?—Yes, probably it would be.

2255. Mr. *Moffatt.*] You have stated that you would not have built upon your purchase at Hong Kong, had you believed the terms to have been those that were afterwards explained to you as those upon which you bought the land; will you explain upon what terms you believed yourself to have bought it?—We believed that we had bought upon a perpetual lease.

2256. Did anything pass in writing to lead to that belief?—There were some documents put in evidence the other day which bear upon that point more clearly than I can describe it.

2257. It is stated in this public notice, that the titles will be delivered on payment of the rent; were those titles delivered?—There were slips of paper delivered merely with the purchaser's name upon them, and the number of the lot.

2258. Mr. *Hawes.*] What ground have you for stating that you thought you bought the lands in perpetuity; because in April 1843 there was a public notification that the terms and tenure were to depend solely on the commands of Her Majesty?—Yes, but we built long before that.

2259. Before 1843?—Yes.

2260. The first sale was in 1841?—We commenced building before the first sale even, to a certain extent.

2261. Then you built at your own risk?—We did, to that extent.

2262. I believe in the first sale there were conditions imposed, were there not?—Yes, I have the terms of the sale here.

2263. I think 1,000 dollars were to be laid out in six months from the time of sale; that was one condition?—Yes, I think that was one of them.

2264. Have

2264. Have these conditions been generally fulfilled by yourselves and others? Yes, pretty well.

2265. Not generally?—No, not altogether; some people did not lay out perhaps that money.

2266. Very generally they were not fulfilled?—I believe so; many people did not fulfil that condition, except in this way: for instance, a man who had four or five lots, perhaps laid out the whole sum which would attach to the four or five lots, upon one. Most people built, less or more.

2267. Did not the party, before he did that, have some communication with the land office?—There was no land office at that time; there was no land office until the end of 1843.

2268. About August 1843, I imagine, the land office was established?—About the end of 1843.

2269. Those who bought or built before that time, bought or built at their own risk?—No, they did not; they bought at Captain Elliott's sale, in 1841.

2270. Subject, however, to certain conditions?—Subject to certain conditions.

2271. And the terms and tenure also were perfectly undefined at that time?—Yes; except that Captain Elliott led us to expect very favourable terms.

2272. But the terms you knew nothing about; they were still to be defined by the Government?—We believed so far, that they could not be worse than a perpetual lease, at the prices at which we had purchased the land; that was the worst that we expected.

2273. Do you mean a perpetual lease for the capital sum that you had paid down?—A perpetual lease at the rents at which we took the land originally.

2274. You have no authority for that, I think; you have no document to refer to, have you?—I see a letter addressed to our firm by Captain Elliott, on the 17th June 1841. He says: "Gentlemen,—Having had under my consideration the particulars of the first sales of lots in Hong Kong on the 14th instant, I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of my purpose to move Her Majesty's Government either to pass the lands in fee-simple for one or two years' purchase at the late rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain." This letter was addressed to ourselves by Captain Elliott, in 1841.

2275. If that tenure continued to obtain?—Yes; a nominal quit-rent, if that tenure continued to obtain; but then he leads us to expect that we shall have the land in fee-simple.

2276. If that tenure continued to obtain; that is to say, I suppose, if it was in future sanctioned by the Government?—I suppose so.

2277. Mr. *Moffatt.*] Did not you understand your tenure of the land to be rent that you agreed to pay upon it?—Yes.

2278. And did not you understand that the tenure to which Captain Elliott alludes was the rent which you were paying?—Decidedly; nobody ever supposed that we should not, at all events, have had a perpetual lease.

2279. Mr. *Hawes.*] However, at that time the terms and tenure were to be subject to the future decision of the Government?—Yes.

2280. So far you bought with your eyes open?—Yes; but we expected to be fairly dealt with.

2281. You mean liberally dealt with?—I do not think we were fairly dealt with.

2282. Mr. *Moffatt.*] You treated with Captain Elliott as the accredited agent of the Government?—We thought him to be a party that had influence with the Government, and that the Government would be guided by him. It was so apparent that high rents would be prejudicial to the prosperity of the place, that we never fancied that the Government would insist upon those exorbitant rents.

2283. Therefore you believed that you were making a contract to hold the lands in perpetuity at such rent, subject to such reduction as you hoped you might obtain from the Colonial Office?—Yes.

2284. Mr. *Hawes.*] Captain Elliott made no contract with you, did he?—He made no contract, beyond the conditions at which the lands were bought up.

2285. Provided that tenure obtained hereafter?—Yes.

2286. Mr. *Matheson.*] He held out an expectation; he declared that he would

*A. Matheson*, Esq.

4 May 1847.

move Her Majesty's Government to give the land in fee simple, upon payment of two years' purchase at the late auction rates?—Yes.

2287. Mr. *Parker.*] Be so good as to superadd the other member of the sentence; you say he states that he would "move Her Majesty's Government either to pass the lands in fee-simple, for one or two years' purchase at the late rates, or"?—"Or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain."

2288. Mr. *Harcourt.*] What did you understand by "that tenure"?—A perpetual lease of the land.

2289. A perpetual lease, not at a nominal quit-rent, but at the rent which you were paying?—No; I understood that the rent which we were paying would be reduced to a nominal quit-rent, provided we did not get the land in fee-simple.

2290. Mr. *Moffatt.*] Or the extreme point of two years' rent?—Yes.

2291. Viscount *Jocelyn.*] Which do you think the most objectionable, the character of the lease, or the amount of rent which you have to pay?—I think the character of the lease.

2292. Do you give us to understand that, in fact, you would be satisfied to pay the rent which you are charged, if you had a 999 years' lease?—I, individually, would be.

2293. Do you think that many others are in a similar position?—I think some of the principal merchants would not feel the heavy land rent as a very great burden, provided they were relieved of other taxes; but I think the Chinese population would feel the present rate of rent an excessive burden which they could not bear.

2294. Do you think it would be more applicable to British residents than to Chinese residents, the character of the lease being changed?—Yes, I do; I think that the British merchant who spends 10,000 *l.* upon a house, would not do so if he thought he had only a 75 years' lease.

2295. Mr. *Hawes.*] It would not be possible to establish different ranks, one for Chinese and one for British?—No, I do not think it would.

2296. Those lands, after all, are all put up to public auction?—They are; if a heavy deposit had been required when the land sales were first commenced, I am quite sure that the rates would never have been anything like what they have risen to; land would never have fetched the prices which it has fetched in the colony, if a proper deposit had been required from the purchasers. Many people bought lot after lot on speculation, who had not the means of paying the deposit upon one lot.

2297. Then they threw up some lots, did not they?—They threw up a great many.

2298. And retained others?—Some retained others. Some threw up all their lots, and never paid a farthing of rent, nor a farthing of deposit; they threw up all their lots.

2299. Dr. *Bowring.*] Did they remain in the colony?—Some in the colony, and some not in the colony.

2300. Mr. *Moffatt.*] In reference to your purchase, do you consider that a breach of faith has been committed by the British Government, in not ratifying the conditions under which you believed yourself to have made that contract with Captain Elliott?—It amounts in fact to a breach of faith, although perhaps it would not be an actionable point. We trusted too much to Captain Elliott; we ought to have waited until Captain Elliott was properly instructed, or at least Captain Elliott ought to have been properly instructed in the first instance, before he sold the land.

2301. And is that the impression which generally obtains amongst the British residents at Hong Kong?—The British residents at Hong Kong generally feel themselves very much aggrieved.

2302. Mr. *Hawes.*] A great deal of land has been sold by public auction since Captain Elliott's time?—Yes.

2303. And upon the terms and conditions which now exist?—The fact is, that those people who bought at Captain Elliott's first sale were anxious to prop up the subsequent sales, so as not to deteriorate the value of their own previous purchases.

2304. And at those subsequent sales the new conditions were enforced?—They were.

2305. And nevertheless they continued to buy land?—Men bought land who could make no use of it

2306. Dr. *Bowring*.] The grievance as regards the present, as I understand it, is that the conditions of sale are unfavourable?—The grievance first of all is that the conditions of Captain Elliott's sale were not fulfilled by the Government.

2307. If I understand you, as regards the sales of 1841, expectations were held out which have not been fulfilled?—Which have not been fulfilled.

2308. Either in the shape of a perpetual lease or of a reduction of rent?—In neither case.

2309. And as regards the present mode of sale, you think that the circumstance of not enforcing the payment of their deposits brings in a species of purchasers who ought to be excluded?—The sales which commenced in 1843 were conducted upon a principle which gave people an opportunity of gambling in land without any capital; men of straw gambled in land, and raised the price of it upon those people who were *bonâ fide* purchasers.

2310. They have excluded the substantial purchasers while they have admitted men of straw?—Yes; precisely, and when a substantial purchaser felt obliged to buy a bit of land, he was made to pay three or four times what was its worth.

2311. Mr. *Hawes*.] Are goods at all warehoused in Hong Kong, for the China trade generally?—They were warehoused at one time to a very great extent; I have seen several warehouses for the goods at Hong Kong, but I believe now that they are not landed there at all.

2312. Do you attribute that again to the operation of opium farm, and that alone?—I attribute it to the native junks having deserted the harbour.

2313. On account of the interference of the opium farmer with them?—That and other circumstances.

2314. What other circumstances?—All the circumstances that I have been detailing to-day.

2315. What other circumstances interfere with the foreign trade except the opium farm?—None on shore at Hong Kong; none depending upon the government of Hong Kong.

2316. Can goods be warehoused at Canton for export without the payment of duty?—No; the duty must be paid if they are landed at Canton.

2317. If they are re-exported can the duty be obtained again?—No; the customhouse of Canton give a certificate that the duties have been paid upon the goods, and those goods can be taken to another port in China and landed without the duties being paid a second time; there are no duties payable at Hong Kong.

2318. Owing to the interference of the opium-farm system and the auction duty, goods are not now warehoused at Hong Kong?—No.

2319. Those are the two main causes which operate to prevent it?—Yes.

2320. If they are warehoused at Canton they must pay the duty upon entering the port, I suppose?—They must.

2321. Is that duty returned upon re-exportation?—No.

2322. Not at all?—No, the Chinese government never return a duty once paid.

2323. Has not there been some recent regulation upon that subject?—I am not aware: but they do this; they give a certificate to the party owning the goods that the duty has been paid in Canton, providing he goes to another port in China with the goods.

2324. Dr. *Bowring*.] The payment of the duty at any one of the five ports clears the duties at all the others?—Yes.

2325. Mr. *Hawes*.] But not in the foreign trade; they would not return the duty under any circumstances?—No; supposing goods were carried away from China after the duties had been once paid, they would never return the duty.

2326. The fact is that the bonding system is not known there?—It is not.

2327. Dr. *Bowring*.] Is there any security against the change of cargo; what is the security, for instance, that the duty shall have been paid upon small packages in one port, and that those packages shall not be changed for larger ones, and so introduced into another?—I am not sure that there is any rule to prevent that.

2328. The Custom-house regulations are somewhat lax, are they not, in China generally?—Yes.

*A. Matheson*, Esq.

4 May 1847.

2329. Mr. *Hawes.*] At Macao is there any bonding system?—I cannot tell you. The laws there never last above a few months without being changed. I believe they did attempt the bonding system at one time.

2330. That is very prejudicial to trade, then?—There is not much trade at Macao.

2331. Dr. *Bowring.*] By the last Act, has not Macao been made a free port?—I do not know.

2332. Mr. *Hawes.*] If Macao were made a free port, it does not follow that the bonding system would be introduced, does it?—No. About a year ago the Macao government were very anxious to establish the bonding system at Macao, but I do not think it was ever carried into effect; people did not send goods there to be warehoused.

2333. Were not those restrictions upon trade to which you have referred, namely, the mode in which the opium farm is worked, and the auction duties, Hong Kong would present very great advantages to British traders in those parts?—Yes.

2334. And those are the two main obstacles to the present prosperity of Hong Kong?—Those are the two principal things that have led to the destruction of the trade of Hong Kong, but I am not sure that the trade would come back if they were removed; at least it would take time before it came back.

2335. Dr. *Bowring.*] Upon the whole, do you think that Hong Kong, as the place chosen for the deposit of the British trade, is well chosen?—It has great advantages. A better locality, perhaps, might have been found in the Canton river for the southern trade of China; a place nearer Canton might have been selected probably with greater advantages.

2336. Mr. *Matheson.*] With respect to the operation of the opium farm, how does the farmer enforce his monopoly against parties living at Hong Kong who may wish to infringe it?—He brings them up to the police court.

2337. Have you seen men chased by his people; have you seen his men attempting to catch those who were suspected of contravening the monopoly?—I cannot say that I have seen them, but I have known an instance of his men chasing a boat's crew. The boat's crew took shelter alongside one of our own vessels, and the opium farmer's people followed them; the captain of our vessel fancied that the opium farmer's people were pirates, and he sent the ship's boat in pursuit of them, and brought them on board the vessel and put them in irons; and he was afterwards brought up before the police court for this interference with the farmer, and fined.

2338. Do you hear of similar disturbances on shore, in the farmer attempting to enforce his monopoly?—I have heard of very serious interference on the part of the farmer's people with private individuals on shore.

2339. Dr. *Bowring.*] Are there any domiciliary visits from them?—When they suspect a person on shore selling opium in small quantities, they sometimes visit his premises.

2340. Can they do so without a special warrant?—I do not know; they generally have a policeman; the opium farmer keeps a policeman at his establishment; the police court has given him a policeman to assist his own people.

2341. Mr. *Hawes.*] Would there be any objection to a duty on opium for internal consumption in Hong Kong?—I think it would act upon the trade at Hong Kong just the same as the duty on auction sales; it would prevent the trade.

2342. I am speaking now only of opium landed for internal consumption, there being no interference until the opium was landed, just as in the case of sugar in the London Docks?—You mean, I suppose, would there be any objection to a certain number of houses being licensed to retail opium like the spirit shops.

2343. Put it in any way you please, with a view to answer my question: would there be an objection, under any form, to a duty upon opium for the internal consumption of Hong Kong, always supposing that that duty is levied, so as not to interfere with the general and external trade?—I think there would be less trade in opium there; it would curtail the trade in opium.

2344. Not the general trade, would it?—No, not the general trade, but the local trade.

2345. The effect of the opium farm is to injure the external trade, I understand, by driving away vessels that might otherwise come for the general purposes

poses of trade?—It injures both the external and internal trade; it injures all trade; it injures other trades perhaps more than it does the opium trade itself; for instance, with respect to myself individually as an opium merchant, the opium farmer does not injure me in the slightest degree, as far as opium is concerned.

2346. Dr. *Bowring.*] Is not a duty levied by the Dutch upon opium in Java?—There is an opium farm in Java; but I do not know how that is. Before this opium farm was established at Hong Kong a great deal of opium was imported in a crude state, and was manufactured ready for smoking, and re-exported in a manufactured state all along the coast of China. A duty levied upon opium on shore in any shape would be a bar to the carrying on of that trade.

2347. Mr. *Hawes.*] With a drawback upon exportation?—If you had a drawback upon exportation, you would require an immense machinery, which would make it very expensive. It would cost you more than you would derive from the farm.

2348. Mr. *Matheson.*] Is it not the case, that Hong Kong having a great many ports around the greatest part of its circumference, any duty upon the internal consumption of opium would necessarily involve a sort of preventive service at all those ports?—It would require a very strong preventive service.

2349. Which would be a material incumbrance upon trade?—Suppose it was in the hands of the Government; suppose that the Government had the prevention of smuggling on shore in their own hands, any revenue which they could derive from a duty on opium would not anything like cover the expense of preventing smuggling.

2350. Mr. *Hawes.*] How does the opium farmer now prevent opium being landed at any of those ports referred to?—He has emissaries everywhere; he does it far more cheaply than the Government could do it. All the men whom he employs have an interest in the farm.

2351. Suppose he only collected his duty upon opium landed for internal consumption?—I believe he would still carry on the same practices.

2352. It would not interfere with the general trade; ships would not be boarded, and that obstruction to trade would not exist which you have described?—It would be a very bad principle; it would be very injurious.

2353. It would not be injurious to the general trade in the way you have described?—No, but it would be injurious to the small trade of Hong Kong.

2354. It would be a great relief to the merchant, as compared with the present system of opium farming?—I do not think it would; it would be just as bad as the present. So long as a Chinaman is allowed to wield a power such as the opium farmer now wields, the consequences are bad; evil consequences must result from it to the trade of the place.

2355. Mr. *Parker.*] What consequences can it have upon the external opium trade to levy an internal excise or duty?—The wholesale trade in opium does not suffer now.

2356. To what are we to understand then that the complaint particularly attaches?—I must go over the whole evidence again to answer that question.

2357. Supposing the financial authorities of the colony were to say, "We must have 4,212 *l.* a year upon opium," can you suggest any way of getting that with the smallest possible inconvenience, both to the external and internal trade?—I do not think it could be levied at all. At present they have it for one year, but they will not get it for another year. The trade would go away from the place altogether, if you tried to raise a duty of that kind upon it.

2358. Mr. *Moffatt.*] Is there any article upon which a duty is levied upon importation at Hong Kong at the present time?—No, not that I am aware of.

2359. Consequently the whole expenses of raising the proposed duty would fall exclusively on the opium?—They would.

2360. And your belief is that the cost of raising the revenue would exceed the revenue itself?—Yes, and the revenue would fall off every year.

2361. You have a paper before you showing the amount of official revenue in 1845 to have been 22,242*l.* On the following page you have a statement, I think, by which the salaries alone in the revenue department were upwards of 5,000*l.*, nearly 25 per cent. upon the total revenue raised?—The expenses of the revenue department are stated to be 5,879*l.* The revenue is 22,000*l.*, and out of that there are 12,000*l.* of land rent.

2362. Still that is the revenue?—That 12,000*l.* of land rent could be levied at an expense of 1,000*l.* a year.

*A. Matheson*, Esq.

4 May 1847.

2363. Consequently, as a matter of revenue, judging from the facts before you, you believe that any attempt to raise a revenue from opium by a tax upon opium would be futile?—I believe it would. I think it would diminish annually until it would be nothing.

2364. Mr. *Hawes.*] Do you consider that that 5,800 *l.* is the cost of collecting the duty on opium?—And other farms; I believe so.

2365. But it is not confined to opium alone?—I believe at this moment the government of Hong Kong is a loser by the farms; I believe that the expenses which they are put to for registration, and for collecting the revenues, are greater than what they get.

2366. Do you think that could be made out satisfactorily?—I think so; I give that as my opinion, without having made any minute examination of it.

2367. Do you think, after carefully considering the accounts before you, you could make out a statement of that kind, taking time to do so, and with the advice and assistance of others?—Yes, I think it could be done, possibly.

2368. Would you, at your leisure, put in a statement of that kind?—I will see if I can do it; I do not promise to do it. I see that from the fishery there is a revenue derived of 17 *s.* 4 *d.* There is an instance of the grievance. The government gets 17 *s.* 4 *d.* from a monopoly in fish.

2369. Can you explain that?—The fish must be all brought to one place, and sold there; that is part of the market regulation. I believe there are witnesses here who can give more minute details about the market than I can.

2370. Dr. *Bowring.*] Independently of the cost of collecting the revenue, which is stated to be 5,800 *l.*, does not also a portion of the police charges attach to the revenues consequent upon the opium farm?—I am not sure that there is much. I believe the opium farmer pays his own police; he has either one or two men assigned to him to assist in maintaining his farm, but I do not think that the police at Hong Kong is adequate; my advice would be to increase the police force at Hong Kong.

2371. Mr. *Hawes.*] Placing an increased charge upon Imperial funds?—Unless people have security there, of course they will not live in the place.

2372. Dr. *Bowring.*] You regard Hong Kong not only as a commercial depôt, but as having some claims as the seat of the English Government in China?—My opinion of Hong Kong all along has been, that it ought to be put in somewhat the same light as our ambassador's residence at Madrid, or Paris, or Vienna; for instance, I look upon the governor of Hong Kong more as ambassador of Great Britain in China, than the governor of Hong Kong; and as he cannot go to Pekin, the Government must find him a residence elsewhere. Suppose we had not Hong Kong, where would our ambassador reside? I consider Hong Kong as a necessary part of the expenses of the British embassy in China, which ought to be borne by the nation as such.

2373. Do you consider it not only as a place of great commercial importance, but as the seat of the British legation in China?—Yes.

2374. Mr. *Parker.*] Are not two-thirds of the expenses now borne by the Imperial Government?—I think they ought to bear the whole.

2375. Are not two-thirds borne by it at present?—Very likely; I do not know; but there is an immense outlay in China which might be curtailed.

2376. In addition to Hong Kong being the seat of the ambassador, is it not also the seat of considerable commercial enterprise?—At present there is no commercial enterprise at all there.

2377. Is it not a depôt?—Yes, but there no goods landed there now.

2378. Mr. *Hawes.*] The total revenue is 22,000 *l.* is it not, taking the account upon page 9 of the Papers, No. 1?—Yes, 22,242 *l.*

2379. What is the total expenditure?—The total expenditure is 39,494 *l.*

2380. Is it not more than that: look at "Public Works and Buildings"?—Those are contingencies.

2381. It is an outlay at the expense of the Imperial Government?—Yes.

2382. What is the gross outlay?—£. 66,000.

2383. The deficiency is paid from Imperial funds, is it not?—Yes.

2384. The total revenue of Hong Kong in 1845, as stated in this paper, is 22,000 *l.*?—Yes.

2385. Which is signed by the Colonial Secretary?—Yes.

2386. The total expenditure for 1845, signed also by the Colonial Secretary, is 66,700 *l.*?—Yes.

2387. The

2387. The difference between the two sums is the cost of Hong Kong to the Imperial Government?—It is.

2388. So that there is a coasiderable contribution to the embassy which now exists there?—Yes, but a large portion of that is for buildings; that will not be an annual expenditure.

2389. Mr. *Harcourt.*] In what do the public works and buildings chiefly consist?—I do not know what works are here alluded to; they are not specified.

2390. Mr. *Hawes.*] Do not they consist of prisons, court-houses, fortifications, and so on?—There is no court-house built yet.

2391. There are prisons built, are there not?—There is a sort of prison.

2392. Have fortifications been built?—No. There is no Government house; the Governor lives in a rented house. There are Government offices; there is one range of Government offices built, which did not cost much; it only cost about 20,000 dollars, I think.

2393. Do you think there is nothing laid out by the military and ordnance departments in the defence of the island?—A great deal by the military; not fortifications.

2394. That is all paid from the Imperial funds?—Yes.

2395. And is necessary for the defence of Hong Kong?—There are no defences built yet; that is all to come; there is not a single fortification built up to this hour. There is a very splendid hospital built, and there are barracks for soldiers and officers built, but they had not commenced on fortifications when I left Hong Kong.

2396. Has there been nothing laid out in improving the harbour?—No.

2397. No expense incurred?—The harbour does not require to be improved in any way; there is no expense required for improving the harbour.

2398. I understand you to say, no Government house has been built?—No.

2399. No fortifications have been built?—No.

2400. No court-house?—No.

2401. Nothing has been laid out for military defences?—Not for defences; but there has been a very large expenditure for hospitals, and for barracks and officers' quarters; they are very fine buildings, and very expensive ones.

2402. Mr. *Moffatt.*] If the trade in opium were unrestricted at Hong Kong, would not this result, that there would be a large employment in the preparation and manufacture of opium going on in the island?—Yes.

2403. And it would become a large depôt for opium, instead of Cumsingmoon?—All the opium done at Cumsingmoon would be done at Hong Kong.

2404. Dr. *Bowring.*] How are communications carried on between the Governor of Hong Kong and the Chinese authorities; with whom does he communicate in cases of complaints, for instance, against the Chinese, violations of treaty, or such matters?—I fancy through the consul at Canton.

2405. He communicates with the consul at Canton, and the consul at Canton with the Chinese mandarins at Canton?—Yes.

2406. Is there no communication with Pekin from Hong Kong, except through Canton?—No, there is no communication direct with Pekin.

2407. Is that the case at Shang-hai and the other ports, that there is no communication between the English authorities and the subordinate Chinese authorities?—I believe there is none.

2408. Mr. *Harcourt.*] If Hong Kong did not exist, would there not be the same facility for commercial persons to communicate through the consul at Canton?—Yes; at the same time I think we should miss our British settlement very much, if we had not one now in China.

2409. In what respect?—As a place of security; we must have a large naval force in China, and we should require some place.

2410. Dr. *Bowring.*] Can you suggest any means by which the facilities for communication with the Chinese authorities at Pekin could be increased?—I am not prepared at present to suggest any. With regard to forts, I forgot to mention that there is a saluting battery erected at Hong Kong, close to the Governor's house.

*Jovis, 6° die Maii*, 1847.

MEMBERS PRESENT.

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|---|---|
| Dr. Bowring. | Mr. Matheson. |
| Mr. Brown. | Mr. Parker. |
| Mr. Ewart. | Viscount Sandon. |
| Mr. Harcourt. | Mr. Spooner. |
| Mr. Hawes. | Sir George Staunton. |
| Viscount Jocelyn. | |

WILLIAM EWART, Esq. IN THE CHAIR.

*John Crawfurd*, Esq., called in; and Examined.

*J. Crawfurd*, Esq. 6 May 1847.

2411. *Chairman.*] IN what parts of the east have you been?—I have been throughout a great part of Hindostan, up as far as the northern limit of our possessions, in my time Serampore; but I was chiefly employed among the eastern islands and the countries lying between Hindostan and China.

2412. You were some time the governor of Singapore?—Yes; I administered the civil affairs of Singapore, under the name of "Resident," which was the title then given to the chief local authority.

2413. Did you preside at the foundation of the colony?—No; the colony of Singapore was founded by my friend, the late lamented Sir Stamford Raffles, who requested the Supreme Government to send me down to succeed him. I came down in consequence, and I had, in a great measure, the organization of the settlement of Singapore, till the time that a court of justice and a regular form of government were established for it.

2414. Will you state what other opportunities you have had of making yourself acquainted with the trade of China?—While I was a public officer of the Indian government in Java I was entrusted with the administration of the two principal seaport towns of that island after Batavia, viz. Samarang and Sourabaya, where great numbers of Chinese resided. After my return to India from England in 1821 I was sent by the Governor-general of India, the late Marquis of Hastings, on commercial missions to Siam and to Cochin China, where I had a great deal of intercourse with the Chinese also. It was after my return that I was appointed governor of Singapore; and when my functions there had ceased, I was appointed a Commissioner for our conquests from the Birmese, eventually envoy to the Birmese Court. I was appointed envoy to the Court of the Birmese King, to carry into effect a commercial treaty, which I did. Upon my return here, I acted as agent for the people of Calcutta, during the discussions respecting the East India Company's Charter; and I think, four or five times, I gave evidence before different Committees in Parliament on the subject of the China trade generally.

2415. On what questions do you consider that your experience particularly qualifies you to speak with respect to the China trade?—I have never been engaged in the tea trade, or any other trade whatever; my knowledge of the subject has been gained as a public officer of the Indian government, and from studying the subject from public documents, and intercourse with persons engaged in the trade.

2416. Have you paid particular attention to the operation of the duties on tea?—A good deal.

2417. To what result has your experience and your consideration of that subject led you?—So far as concerns the present duty on tea, upon all the middling classes and the lower classes of tea, I consider it to be a great deal too high; not so, however, on the higher classes of tea. Considering the exigencies of the public treasury, I do not, by any means, consider that the duty levied

upon

upon the higher classes of tea is exorbitant. But it is a great and most onerous duty upon the middling classes of tea, constituting the great consumption of the people of this country, and a very extravagant duty upon the lower classes of tea which ought to constitute the consumption of the poorer classes of the population. The duty on tea at present is 2*s.* 2¼*d.*, including the additional five per cent. I see that the prices of tea have a very wide range; there are teas as low as 4*d.*, even lower, but I shall not quote a lower price than 4*d.*

2418. Do you mean the price in England?—The price, duty off, in London or Liverpool; and there are a few samples of teas which run up to 4*s.*, but those are extreme prices. A pound of Bohea may be taken at 6*d.*; a pound of Congou at about 1*s.* The duty of 2*s.* 2*d.* upon a pound of Bohea, of course, runs up to an enormous amount; some 650 per cent. upon the 4*d.* tea. The duty upon Congou is about 220 per cent., whereas the duty upon some of the very fine teas will not be above 50 per cent. Now I consider that to be a monstrous inequality in taxation, which ought not to exist in any article of necessity, and tea is now a first necessary of life among the people of this country. The effect of it has been very remarkable. Under the East India Company, with an *ad valorem* duty upon all teas of 2*s.* and under of 96 per cent., the consumption was from six to seven millions of pounds of Bohea. And as far as my memory serves me, for I have not been able to consult any official document upon the subject, in 1835, with a duty of 1*s.* 6*d.* upon Bohea, upon Congou, of 2*s.* 2*d.*, and upon the higher classes, of 3*s.*, the consumption rose to ten millions of pounds of Bohea. Now I look at the consumption of the same tea, Bohea, which rose from six or seven millions to ten millions, and I find that last year it was 48,000 pounds weight. I find that that tea, in consequence of the excessive duty upon it, usually called a discriminating duty, but showing very little discrimination at all, that that tea has been excluded from the market altogether; that is to say, the tea which formed the consumption, according to my view, of the poorer classes of people in this country, has been absolutely kicked out of the market. There has been no Bohea tea imported in 1845 or 1846; the article has ceased to be imported altogether, according to the brokers' statements. I may remark, that there is no official record of the kinds of teas consumed in this country, since the adoption of the uniform rate of duty. There is no public document to consult upon the subject. The Custom-house officers have no such record.

2419. Mr. *Hawes.*] You mean correct as to the denominations of the teas?—I mean correct as to the denominations of the teas. As to the quantities, they are perfectly correct. The low Bohea tea has been excluded; it has necessarily happened from the effects of the duty upon the different qualities of tea, that all the teas of the higher order have greatly increased in consumption, and all the teas of the lower classes have necessarily diminished in consumption. For example, to take Congou, which is the staple consumption of the people of this country, which the East India Company used to call their Three per Cent. Consols; in 1833, under the East India Company, there were consumed of this tea 18,653,835 lbs.; and according to the brokers' statements, there were consumed in 1846, 35,255,000 lbs. weight. There has been an increase here, then, of some 90 per cent. The next tea of a low quality is called Twankay; that is the lowest class of green tea under the East India Company. When the population of this country was probably some 20 per cent. less than it is now, the consumption of Hyson Skin and Twankay (I join the two classes of tea together, because they are the lowest kinds of tea), in 1832, was 4,633,261 lbs. In 1846, according to the brokers' returns, the consumption of these low green teas had fallen off to 2,825,000 lbs. weight; a decrease of 1,808,261 lbs. But a very different result will be found, on examining the consumption of the higher classes of tea; these are known in the trade under the name of Hyson, Young Hyson, Gunpowder and Imperial. In 1832, the consumption of these different teas amounted to 1,245,468 lbs. In the last year they had increased to 6,667,000 lbs.; that is, they had increased by 5,421,532 lbs. I have heard it asserted sometimes, in favour of one uniform rate of duty on tea, that it was useful to the public, because it compelled the consumers to use a better quality of tea than they would be disposed to use, if left to themselves; but I believe that it has generally been considered, that it is not the duty of a government to dictate to the consumer in food or drink what he is to use; that it is better to leave this entirely to himself; that the consumer is always the best judge of what he ought to consume, not either the Government or the merchant; and that, in a word, such interference with

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6 May 1847.

the consumption of the public is commonly looked upon as a sort of legislative impertinence. I know of no example in which it is justifiable, except on the plea of an urgent fiscal necessity. I know no example in which it has been deliberately justified, where it has been argued as a right and proper thing to do, except in the example of tea, or at least not on any other article which can be considered to such a degree as a necessary of life as tea is. Thus in the case of the Corn Laws, no one ever thought of placing the same duty upon the importation of foreign oats that was placed upon the importation of foreign barley, or the same duty upon foreign barley that was placed upon the importation of foreign wheat. The duty placed upon each was according to its relative value.

2420. Sir *G. Staunton.*] Do you advocate a discriminating duty upon principles applicable to tea only, or upon general principles applicable to many other articles?—I do not advocate a discriminating duty at all, but an *ad valorem*, or a rated duty.

2421. Upon the different qualities?—I think that either a rated duty or an *ad valorem* duty would be preferable to an uniform duty.

2422. Does your argument apply to tea only, or does it apply to wines and other articles of general consumption?—The general argument as to principle would apply to all commodities, but to no other commodity is it so necessary as it is in the article of tea, because in no other commodity is the range so great as in tea, nor is there any article that approaches so nearly to a necessary of life as tea.

2423. Is not the range very great in wine?—Wine is a luxury, and the range of quality by no means so great as in tea.

2424. *Chairman.*] Do you think that it would be as easy to discriminate between the different sorts of teas as it would be between different sorts of corn?—I know that very great difficulties have been spoken of. There has been an assertion of many difficulties, but I am not aware that I have ever seen any facts, any good evidence, or any good argument produced in favour of those difficulties. When the monopoly of the East India Company was done away, in 1833, the duty resolved upon by a joint committee of the Board of Trade and the India Board was what is called a rated duty of 1 *s.* 6 *d.* upon Bohea, 2 *s.* 2 *d.* upon Congou and Souchong, and 3 *s.* upon the highest classes of tea. That was borrowed, I believe, from the tariff that had existed in the United States of America for a long period of years, and under which tariff the largest branch of the American Customs revenue had been realized. Now the American rated duty differed from the English rated duty only in being more complex, and therefore more difficult in being carried into operation. There were five different rates of duty in America, which I can show to the Committee, because I have taken pains to get it from the American Mission.

2425. There is no duty now on tea in America?—No.

2426. Are you aware that the American duty was inquired into by the Committee in 1834?—I am quite aware of all that passed in that year, because I gave evidence before that Committee twice over. A rated duty was determined upon, and under that rated duty both the consumption and the revenue were larger in proportion to the population than they have ever been since.

2427. Mr. *Hawes.*] The prices being the same?—The prices were pretty nearly the same, perhaps higher a little; of course that would make it more difficult to augment the consumption and the revenue.

2428. Mr. *Spooner.*] Can you state accurately whether the prices were higher or not?—In the long period of 13 years the prices have been tolerably uniform. I will state the items. The consumption in the year 1833, which was the last year of the East India Company's charter, was 31,829,619 lbs., and in 1835 it was 36,574,004 lbs.

2429. Mr. *Hawes.*] Can you state the prices in 1834 and 1835, duty paid, in bond?—I can of the different kinds of tea; but it is very difficult to come at the average price of all the teas.

2430. Taking the lowest quality of Bohea, can you state the prices in 1834 and 1835?—I have not got the price in 1835. I have got the prices in 1833 and in 1847. In the year 1833, the price of Bohea was 1 *s.* 10 *d.* Under the name of Bohea were included, probably, some low Congous, because the 96 per cent. duty was levied upon all tea of 2 *s.* a pound and under; and 100 per cent. duty upon all teas exceeding the value of 2 *s.* Bohea was generally meant by it, which formed the consumption of the lower classes. The price of Congou in 1833,

was 2 *s.* 1 *d.*; of Souchong, 2 *s.* 9 *d.*; of Twankay, 2 *s.* 1 *d.*; of Hyson Skin, 2 *s.* 2 *d.*; and Hyson, 3 *s.* 6 *d.*

2431. *Chairman.*] Will you proceed with your reasons in favour of the principle of an *ad valorem* duty?—With respect to the revenue in 1833, the last year of the East India Company's monopoly, it was 3,444,102*l.*; and in 1835 it rose to 3,832,432*l.*

2432. This was under the rated duty?—Yes.

2433. The rated duty ceased in 1836?—It ceased in July 1836.

2434. The greatest consumption of all was in that year, was it not?—The greatest consumption was in the following year. There was an enormous quantity taken out for home consumption, in consequence of the tea trade having taken out of bond all the tea which bore a duty of only 1 *s.* 6 *d.* They took out the whole of that quantity; to the best of my recollection, some 15,000,000 lbs. of that kind of tea, classed Bohea, in order to save the difference between the 1 *s.* 6 *d.* duty and the 2 *s.* 2 *d.* duty, which was imposed by the new law.

2435. They forced them on the market?—They were taken out of bond to save the difference of duty, but the tea was not forced on the market; it was held in the hands of the owners. The necessary consequence, of course, was, that in the following two years the consumption and revenue not only were less than they had been in 1835, but less a good-deal than under the East India Company. The fact is, that the extra revenue of two or three years was paid in one. With respect to the Committee which sat upon the rated duty when the tea trade objected to it, I should remark, that that Committee did not decide against the rated duty; on the contrary, that Committee decided in favour of continuing the rated duty; but the Chancellor of the Exchequer afterwards thought proper to give way; upon what ground, I am not aware.

2436. Mr. *Hawes.*] By a very small majority?—Very small; but still it was a majority.

2437. Was not it a majority of one?—I believe it was; but it was a majority still. At that time the difficulty was made to hinge upon the impracticability of distinguishing between a certain quality of tea that the trade called Fokien Bohea. I had never heard of it before; and it certainly had not appeared in any price current. The tea trade insisted that Fokien Bohea, was properly Bohea. The public officers of the Government who classed the teas, said that the Fokien Bohea was true Congou, and that instead of being charged with the duty of 1 *s.* 6 *d.*, as the tea trade desired, it ought to be charged with the duty of 2 *s.* 2 *d.* Upon that ground, I think, of the difficulty of distinguishing between those two qualities of tea, nearly the whole question was made to hinge.

2438. Was not that a difficulty of distinguishing between the two classes of teas of largest consumption?—No, it was the difficulty of distinguishing between the highest class of Bohea and the lowest class of Congou.

2439. Bohea and Congou being the classes of tea most largely consumed?—At that time, but not now, seeing that Bohea is hardly consumed at all now. This Fokien Bohea which appeared at that time, and which was used as an argument for getting rid of the rated duty, has now disappeared altogether from the price-currents. But I am given to understand that it has gone exactly into the very place where the public officers of the government desired in 1834 and 1835 to place it; that it has slipped quietly in among the Congous, and there it now stands; it constitutes a portion of the 35,000,000 lbs. of Congou which are now consumed. And as to what is called the lowest qualities of Canton Bohea, it is reduced to the paltry amount that I have already mentioned.

2440. *Chairman.*] Did not the lower rate of duty upon Bohea induce them to pass the inferior Congous under the lower name of Boheas, so as to bring Congous under the duty of Boheas?—That was exactly what was done by calling a particular class of Congous "Boheas," under the name of "Fokien Boheas." That is my notion of it. I am not professionally acquainted with the trade, and I do not wish to ascribe motives, but it appears so from what has since happened. The Fokien Bohea has disappeared altogether from the market, and it is admitted to be of the class which the government officers considered it in 1834 for the purpose of assessing the duty; but as the duty now stands, there is no motive for representing it as Fokien Bohea, and so it has disappeared quietly.

2441. Mr. *Hawes.*] It has disappeared by name?—It is now along with the Congous.

2442. *Chairman.*] Will you proceed with your statement of your views upon this

*J. Crawfurd*, Esq.

6 May 1847.

this subject?—The plan, as I understand it, of the petitioners who have asked for this Committee, is to reduce the present duty on tea from 2*s.* 2½*d.* to 1*s.* Now, on the very face of it, there would be a loss sustained by the public of revenue (which of course to some extent by and by would be made up) of something like 2,700,000*l.* Now, according to my judgment, which I give with great deference before this Committee, I believe that no Chancellor of the Exchequer would ever look such a measure as that in the face without imposing another tax, perhaps adding 50 per cent. to the income tax; then perhaps he might be able to do it, if the public would submit to that. I see it stated that the quantity of tea would increase so largely under 1*s.* duty, that the advance in a short course of years, with the additional consumption of sugar, would reduce the whole loss to the public revenue to 1,000,000*l.*, and that that amount of sacrifice it is expected the Government would make. Now I think it is difficult to ascertain what would be the increased consumption of tea, because the reduction contemplated by the petitioners, as far as I can make it out, (my materials are not very good, nor do I believe that better can be found,) would be nearly the same with that which took place as between free trade and monopoly, as between the prices of 1833 and the prices which have followed since from 1834 and 1835 downwards; in so far, however, only as the natural price of the article is concerned, without including the duty upon it. The actual increase of consumption in that period, not of two or three or four years, as contemplated by the petitioners, but of 13 years, after an increase of 15 to 20 per cent. in population, has been only between 14 and 15 millions pounds weight in tea, and not 35 or 40 or 50 millions of tea, as has been named by some of the petitioners. I see no ground for anticipating any much larger increase, in the event of the duty being reduced from 2*s.* 2*d.* to 1*s.* Then with respect to the consumption of sugar, I have been looking back to see whether there was an increased consumption of sugar or not, after the fall of prices produced by the abolition of the monopoly, and I do not see that there was any increase that cannot be accounted for by the increase of the population, and hardly, indeed, any at all.

2443. Mr. *Parker.*] What do you mean by the abolition of the monopoly?—The East India Company's monopoly of tea. Now, I should like to know where the sugar is to come from. The East India Company's territories in the East Indies have produced no very large supply of sugar; the duties have been equalized, since the year 1836, and there is a very considerable amount to come from the East Indies, but in the last few years that amount has not increased, and the supply from the West Indies has actually decreased.

2444. Mr. *Hawes.*] When you are speaking of the East Indies do you include the Mauritius?—No; I include the Mauritius in the West Indies. There has been an increase in the Mauritius sugar, but probably in the Mauritius alone. According to my estimate, there had been paid, by this country, a bonus upon the production of colonial and East India sugar of not less than 20*s.* a cwt. Now that bonus has almost ceased, and is to cease wholly in four years. The quantity required will be 39,000 or 40,000 tons, according to the estimate which I have seen. Then as to foreign sugar. Till the year 1851 we cannot expect any extraordinary increase of foreign sugar, because there is no equalization of the duties till that year; and at present, within the last year, the whole consumption of foreign sugar has not much exceeded 30,000 tons weight; but here it is necessary, in order to realize an increased revenue from sugar of 820,000*l.*, as contemplated by the petitioners, that the consumption should rise 39,000 or 40,000 tons beyond its present amount.

2445. Over and above the present consumption?—Yes. But supposing the sugar to exist; supposing the supply of sugar to be ample, then where is the money to come from to pay for it; for according to this hypothesis, it will be already invested in the purchase of an additional quantity of tea. The sum required to purchase 39,000 or 40,000 tons of sugar would amount, I believe, to 1,700,000*l.* or 2,000,000*l.* sterling. It does not appear to me that the sugar duty has anything to do with the matter. I think every duty ought to stand by itself. There is no end to this sort of parcelling out, the making one duty depend upon another. The sugar duties will disappear altogether in that way. The coffee will claim one share of them; rum and home spirits will claim another share; the confectioners will claim another share, and the apothecaries another, and there would be a total disappearance of the sugar duties altogether. But independently

independently altogether of that view of the question, I do not see where the sugar is to come from; and I do not see where the money is to come from to buy the sugar, supposing the sugar to exist.

2446. *Chairman.*] Do you know the nature of the Report of the Select Committee on the Tea Duties in 1834?—No, not exactly.

2447. Will you have the goodness to read the Report from the volume now shown to you?—"Resolved, That as it would be manifestly unjust to the merchants who have ordered teas from China to alter the law so as to affect the duties on teas so ordered, and therefore any change, supposing such desirable, could not take effect for some time to come; and as experience of the working of the present law must be had before the next Session of Parliament, Your Committee are of opinion that it is advisable to receive the benefit of such experience before the Legislature determines upon the expediency of any prospective alteration in the duties on tea."

2448. Therefore it was not an opinion on a rated duty, as distinguished from a certain duty, but an opinion as to the propriety of delay?—I think I did not state that the Committee had offered any opinion whatever; I know nothing whatever about it. I was only given to understand that they were in favour of a rated duty; that there was a majority of one. That was all I knew upon the subject. This Report gives no opinion at all, and no recommendation whatever; it simply says, "Wait and see."

2449. Mr. *Hawes.*] You are now speaking simply of that short Report which you have read?—Yes.

2450. Is it within your knowledge that a counter report was presented against an *ad valorem* duty, which was rejected by the Committee by a small majority?—It is not within my knowledge; I am unacquainted with that fact; but I should not be at all surprised that it was so, because I know the circumstances under which that Committee was obtained. The Member for the city for the day obtained that Committee, and of course he had the nomination of a considerable number of the Members upon it; but whatever way it ended, there was no decision come to in favour of a uniform duty, nor against a rated duty. The Report was in favour of delay.

2451. *Chairman.*] May not the diminished consumption of Bohea which you state has taken place have arisen from the labouring classes finding that Congou and the higher priced tea is upon the whole cheaper than that inferior Bohea?—I think I can explain that satisfactorily; I have seen that asserted over and over again. I have no hesitation in believing that that notion is founded on a fallacy, a misunderstanding arising from mixing up the factitious price of the commodity, produced by the unequal duty, with the natural price of it. If you find that Bohea costs 6 *d.* a pound, and that Congou costs 1 *s.*, without the duty, then the question comes, whether a poor person who wishes to consume tea, but has a very small income, prefers one pound of Congou to two pounds of Bohea; but when the duty of 2 *s.* 2 *d.* is added, the question is wholly altered. The difference between good strong tea, Congou, and a weak tea of inferior quality, is then only 6*d.*, and I am not at all surprised that when duty is mixed up with price in this fashion, a poor person finds it more economical to use the stronger and better flavoured tea, when the whole difference in the value of the pound is a single 6 *d.* But that is a very different question from what it would be with an *ad valorem* duty upon both, or with do duty at all. Supposing the duty upon a pound of Bohea were 6 *d.*, and the duty upon Congou 1 *s.*, then the price of Bohea to the consumer would be 1 *s.*, and the price of Congou would be 2 *s.* The question then would be, whether a poor person would prefer one pound of Congou to two pounds of Bohea; but that is a very different question from what it becomes when an unequal duty is mixed up with the price; and thence, in my humble opinion, the fallacy which has been so often reiterated upon this subject.

2452. Do you know whether the price of Congou tea has decreased or otherwise since 1836, when the change of duties came into operation?—I can give no answer to so general a question as that.

2453. Might not the reduction of the price encourage the consumption of Congou?—I cannot argue upon that, because I am not aware whether there has been a reduction.

2454. You stated that the importation of finer teas, on the price of which the duty would of course bear a lower proportion than on the lower priced teas, have

*J. Crawfurd*, Esq.

6 May 1847.

increased in this country; do you know whether those fine teas have been re-exported or used for consumption in this country?—I am talking here throughout of the price delivered for home consumption, which is totally different from exportation. I have no reference to what has been exported; the export is the only branch of the tea trade which has been flourishing; because that branch of trade has not been interfered with by the uniform rate of duty; it was nil in 1833, and it has amounted since to something beyond four millions of pounds weight. The quotations I make are all for home consumption, and have no reference to exportation.

2455. You consider that the home consumption of the higher priced teas, for instance green teas, has increased in consequence of the same duty being applicable to different kinds of teas?—Yes; in consequence of the higher classes of teas being favoured, and the lower classes of teas being oppressed by the unfair duty.

2456. Dr. *Bowring*.] Is not the necessary consequence of the imposition of an *ad valorem* duty, to give a great motive to introduce a low quality of tea?—The operation of an *ad valorem* duty, would be to let the consumer do what he likes, without the interference of the Legislature.

2457. Was not the practical operation of the *ad valorem* duty in the United States, to create a principal demand for the lower qualities of tea?—I am not aware of that by any means. On the contrary, an *ad valorem* duty, if it were a fair one, would have the effect of allowing the consumer to consume what tea he pleased, which is the true principle of imposing a duty upon tea or anything else. Instead of the Americans being consumers of a low class of teas, they are consumers of a higher class of teas than we are; I went yesterday and examined an American price current, and I found that there is no tea quoted in the New York market under 10 *d.* a pound, and that there are teas quoted as high as 90 cents.; that will be 4 *s.*

2458. Has not the effect of a certain high duty upon the importation of wine produced the result, that this country takes the finest wines which are produced?—There is no question that it takes the strongest wines, but perhaps not always the finest wines. An uniform duty is favourable to the consumption of strong wines, containing a great quantity of brandy, but I am not aware that it is favourable to the consumption of the finest qualities of wines. But wine is a luxury, and does not come within the compass of my argument at all. The stronger classes of wines are of course consumed mostly for the same reason that the stronger teas are consumed instead of the weaker teas, because the duty is more favourable to them than it is to the lower classes.

2459. Would you apply the same principle of *ad valorem* duty to the importation of sugar?—If there were the same range of prices in sugars, and the same facility for making a distinction that there is in tea, I would apply it to sugar; but seeing that the same range of prices do not exist in sugars, and that the same facilities do not exist for distinguishing between one kind of sugar and another, that there is between one kind of tea and another, I would not apply it to sugar.

2460. Does not the great difference between the maximum and the minimum price of tea augment the difficulty instead of diminishing it?—There has been no difficulty practically experienced upon the subject. I before mentioned that this system existed in the United States a great many years, and under that system the largest branch of the American Customs Duties had been collected; and I see, moreover, that the Secretary of the American Treasury proposes an *ad valorem* duty upon tea, and no objection is made to it; for I spoke to an American merchant yesterday upon the subject, and asked him whether he had heard of any objection to an *ad valorem* duty. It is proposed as an additional tax to carry on the Mexican war. But if an equal duty like ours upon all teas were proposed, I think the American community would never bear it.

2461. Mr. *Hawes*.] At the time there was a rated duty in America, were not teas of different qualities subjected to different rates of duty?—Yes; five distinct rates.

2462. Can you state whether, practically, those five distinct rates were levied?—It would appear from the returns that they were regularly levied. In every annual account of the American revenue for the time, the quantity of tea that was consumed under each particular head, and the rate of duty, and the revenue yielded by it, was published every year. I think there are two ways of levying an *ad valorem* duty in this country. I do not wish to see a rated duty attempted again, because I saw so much opposition to it on the part of the tea trade; but I think an *ad valorem* duty might easily be levied. The tea trade hold at the present moment periodical sales

sales for their own convenience, and they sell a considerable quantity of tea in that way. Now I think that what they do for their own convenience, they might be disposed to do for the convenience of the public; but if they did not like that the *ad valorem* duty might be imposed upon the invoice prices, leaving to the Government the power which is always exercised, of taking the commodity upon giving a certain per-centage upon the price, if the Government should fancy that it is undervalued.

2463. Mr. *Hawes.*] Referring to the Report of the Committee in 1834, I find the following question and answer in the evidence of Mr. Ralston, a gentleman who had been connected with the American trade: "Then all the duties in America are regulated entirely upon the consular certificate granted in Canton?" The answer is: "The consular certificate, together with the oath of the importer, administered at the custom-house in America, have been chiefly relied upon as to the correctness of the entries." Were you aware of that?—I was not aware of the details by which the valuation was obtained; but I should think it very natural that those were the details.

2464. Mr. *Brown.*] Assuming that teas were imported and placed in bond, as they now are, and that a competent Government officer were appointed as the Government auctioneer, and that tea sales took place periodically or otherwise to suit the convenience of the importers, do not you think that that system, with an inspector of teas to prevent fraudulent sales, would be a sufficient protection to the revenue, to enable the Government to get a fair duty upon the market price of the teas, charging an *ad valorem* duty upon them; and that further, if the Chancellor of the Exchequer found the state of his finances such as to enable him to make a reduction in the duty of 10, 20, or 50 per cent., such a reduction could easily be made gradually, from time to time, and that by that means we should be more likely to get a reduction of the duty on teas than by asking for a reduction from 2*s.* 2*d.* to 1*s.* at once?—Never having been engaged in the trade, I am not so good a judge of that as the merchants themselves, especially such as the honourable Member who puts the question to me. But an affirmative answer to the question of the honourable Member is quite consonant with the views which I have maintained upon the subject. I have no doubt that the thing would be practicable; I should say that, if instead of asking for what I should consider very little less than a kind of financial chimera, the tea trade would content themselves with a moderate *ad valorem* duty, which the Chancellor of the Exchequer would have it in his power from time to time to reduce, their demand could be met. But the duty which they propose has the same relative incidence as the present, and it will continue to strike at the very root of the consumption, because it favours the consumption of the few, and it discourages the consumption of the masses, the only source of great consumption and large revenue.

2465. You understood the meaning of the question to be, not that the teas are to be valued by inspectors at the outport, but that the value is to be established by public sale?—I understood it so. The Committee will allow me to make one further remark, in answer to objections which are sometimes made to this mode of levying duty. In the matter of taxation upon a necessary of life, all heavy taxes are exceedingly inconvenient, as we all know. It is a choice of difficulties, and a choice of inconveniences which we have to make; and whatever the inconveniences of an *ad valorem* duty may be, which I have seen spoken of by the advocates of a fixed duty, they are very much less than the inconvenience to which the public, the Treasury, and the consumer are put by the duty that they propose themselves, by having an unequal duty, one bearing hardly upon the poor, and bearing very gently upon the rich. A duty of 1*s.* upon the finest qualities of tea would be something like 25 to 50 per cent., and it would be 100 or 200 per cent. upon the tea of the poor. Now I perfectly recollect, that in the year 1819 the then Chancellor of the Exchequer, then Mr. Vansittart, afterwards Lord Bexley, proposed to augment the duties upon all teas to 100 per cent.; it was opposed, and the opposition of the day fought a very stout battle for a matter of four per cent., and they carried it; they thought that it was a very considerable victory. So that the duty continued upon Bohea, and upon all teas sold under 2*s.* a pound, at 96 per cent., while it was 100 per cent. upon all other teas. Now I think, if it was worth while 28 years ago to fight for four per cent., it may be worth while now to fight for 200 or 300 per cent.

2466. *Chairman.*] But you do not speak practically upon the commercial view of the question whether such an *ad valorem* duty can be levied consistently with the

*J. Crawfurd*, Esq.

6 May 1847.

convenience of the trade?—The *ad valorem* duty seemed to be levied formerly conveniently to the trade, and the rated duty which existed in the United States, although it was practically a more complex duty, and carried into effect by a less efficient establishment than ours, realized the largest branch of the Customs duty in America. But with reference to the convenience of the trade, I have already explained to the Committee that I have never been engaged in the tea trade or any other branch of trade, therefore as a merchant I can offer no opinion.

2467. Dr. *Bowring.*] You have been a great deal upon the Continent. Are you aware that nine-tenths of the controversies that exist between the continental custom-houses and the merchants grow out of the system of *ad valorem* duties?—I am not aware of that fact.

2468. Mr. *Hawes.*] Are you aware that in the silk trade very great inconvenience was found, and still exists, in consequence of the duties depending upon the valuation of the articles?—I dare say inconvenience exists. It is a choice of inconveniences, whether the Treasury and the whole community are to be sacrificed to the tea trade, or whether the tea trade is in a small matter to give way to the whole community.

2469. Dr. *Bowring.*] You are aware that one strong objection to *ad valorem* duties is, that the same duty is never levied in two different ports?—Even that is a very trifling inconvenience in comparison to the levying a duty of 200 or 300 per cent. upon the poor man, and of 25 per cent. upon the rich man.

2470. Do not you think that if a merchant in Glasgow was compelled to pay a heavier duty than a merchant in London, that would form a very heavy ground of complaint?—I do not contemplate such a result.

2471. Are you aware that such is the fact?—I have heard it asserted, but I do not believe it, because at public sales the article is so well understood by the brokers and by the other persons that bid, that the biddings are by farthings; and when I hear of tea of the same quality being sold at a difference of 3*d.* or 4*d.*, not being a merchant, and not being practically engaged in the trade, I am disposed to withhold my belief from it.

2472. Mr. *Brown.*] Do you see any injustice in this, that if the tea comes to London to a good market, and sells for a high price, the merchant should pay a higher duty upon it; and that if it goes to a bad market in Glasgow, and sells for a lower price, the merchant should pay a lower duty, the Government and the merchant both being injured by the bad market?—Those are inconveniences, of course; but there are great inconveniences in every tax; and that course should be adopted which is attended with the smallest inconvenience to the whole community, and to the state, represented by the Treasury.

2473. Dr. *Bowring.*] You state that you do not believe practically the fact, that a different amount of duty would be levied in two different ports; but if you found that, upon the article of sugar, a different amount of duty was levied upon the same article in the same port, and out of the same ship, would not that shake your faith in an *ad valorem* duty?—Not in the least, because I have stated that the discrimination of different classes of sugars is a very difficult matter, whereas the distinction between different classes of tea is comparatively easy.

2474. If your attention was called to the evidence which has been given by the leading tea brokers in London, and you found that among themselves there was an enormous difference of opinion as to the value of different parcels of tea, would not that present a new consideration to you?—I do not like to ascribe motives to any class of men; but the tea brokers and the tea trade are interested parties, though they are but a small part of the whole community.

2475. The question refers not to their opinion, but to the fact?—They may think so; but I oppose to that fact the fact of their having been in the habit, at public sales, of bidding for that very tea by farthings, as if they understood the value of it to a farthing, instead of making a difference of 2*d.*, 3*d.*, or 4*d.* a pound.

2476. Mr. *Parker.*] Can you state, from your knowledge of the examinations before the Committees that sat before upon this subject, whether any parties were examined who more particularly represented the consumers in the lower classes of society?—I am not aware whether any such parties were examined, unless I was one myself; I was examined for two successive days, and I endeavoured to defend an *ad valorem* duty.

2477. Mr. *Brown.*] Admitting that it is a great convenience to the trade to be able to land the teas from the ships and pay the duty at once, and take them to their own premises if they think fit; in your opinion would it be a still greater

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advantage to the country that the Chancellor of the Exchequer would have some little inducement to lower the per-centage of the duty from time to time, in order that he might increase the consumption, and that if he dare not do it all at once, he might do it gradually?—Undoubtedly it would be a very convenient thing to pay no duty at all, but if a duty is to be levied, it ought to be so in the manner least inconvenient to the whole community, not in the manner most convenient to the tea trade. The convenience of the whole community, and of the state, represented by the Treasury, must be considered paramount to the particular convenience of the tea trade.

2478. Mr. *Parker.*] You would take into consideration the interests of the Treasury and the interests of the people, considering them of quite as much importance as the interests of the persons who deal in the article?—Yes.

2479. The parties who deal in the article would be pretty sure to take care of themselves?—I think so.

2480. But if the Treasury and the consumer are to be considered subordinate to the particular trade that deals in the commodity, you are in point of fact preferring the interests of those who can take care of themselves to the interests of those who have not the same facilities?—Just so; I have made a sketch of what I consider an *ad valorem* duty would yield, which might be reduced from year to year as the Treasury could afford it; I have supposed the whole consumption to be that of the past year, and I fancy that the whole value of it might be 1*s.* 6*d.* a pound on an average of all teas. This would make the whole cost of the article 3,500,000*l.*, on which a duty of 150 per cent. would yield 5,250,000*l.*, or something beyond the last year's duty.

2481. Then you would gradually reduce the *ad valorem* duty?—Yes, certainly.

2482. Dr. *Bowring.*] Is not that greater than any *ad valorem* duty that has ever existed here?—No; formerly the *ad valorem* duty was rated upon the Company's price, which was always at least an advance of 100 per cent. on the natural price. Upon the great mass of the teas the Government duty was 100 per cent. nett, from the year 1819 downwards.

2483. You propose an enormous *ad valorem* duty on account of the diminished cost of tea; that is putting a very heavy charge upon the community, and denying to them the benefit of the reduced price of tea in China?—There can be no heavy charge upon the community when the gross total revenue raised is very little beyond what is raised now; but it bears more equally, instead of the poor and middling classes paying a heavy duty.

2484. But you take 50 per cent. more *ad valorem* duty than it was when the price was higher?—At that time there was not only the duty paid to the state, but a tax of 100 per cent. paid to the East India Company; and it was upon that price so advanced that the 100 per cent. duty was levied, so that the real amount of the duty raised was seldom less, and often more, than 300 per cent.

2485. But you deny to the community the benefit of the removal of the monopoly?—No; it may be easily shown that the price of all tea of the middling and lower classes would be a great deal cheaper than it was under the East India Company, and that the price of the higher classes of teas would also be lower than they were under the East India Company.

2486. Mr. *Hawes.*] With regard to Singapore, you were charged with the civil administration of that settlement for some years?—I was.

2487. Do you know the nature of the revenue system now pursued there?—Yes. I think I may say that it was organized by myself, and it has existed now pretty nearly in the form in which I left it a great many years ago. There have been some additions made to it; some improvements, and some alterations, that perhaps were not improvements.

2488. Can you state the different sources of revenue?—Yes; there was an excise on what is called prepared opium; that is opium sold by retail in small quantities, in a particular shape and form, after it has been prepared. The excise is collected upon that alone, a whole chest or a half chest not being interfered with. Then there is an excise on wine and spirits; and I think now there is, but it did not exist in my time, an excise on the sale of pork; that is a tax upon the Chinese and the Christians. It does not touch the Mahomedans or the Hindoos, of course, for they would not only not eat pork, but scarcely even look at it. It chiefly touches the Chinese. The object of it is to maintain a hospital for the Chinese, but that has been instituted since my time; and I will say, that if I had been there, it should not have been recommended. There was another

*J. Crawfurd*, Esq.

6 May 1847.

source of revenue that existed in my time. I licensed public gaming; that is to say, I instituted a certain number of houses where gaming could be conducted legally under the superintendence and direction of the police. That was thought to be contrary to public morals, and after a time it was abolished. It afforded, in my time, the largest branch of the public revenue, because the Chinese and the Malays are inveterate gamblers, and it is a very difficult matter to prevent them from gambling under any circumstances. My notion was, that it would be better to control and regulate what we could not prevent. The effect of suppressing it has been a loss to the public revenue, and gambling going on just as it did before, and the police being over and over again detected in being corrupted, and being prosecuted, fined, and imprisoned. That has happened not only at Singapore, but in all the other settlements where gaming has been prohibited.

2489. Dr. *Bowring*.] Did you license houses of ill-fame at Singapore?—No, never. I never heard of such a thing.

2490. Mr. *Hawes*.] Will you now explain what is meant by a farm?—It has been found expedient in almost all our eastern settlements to farm the public revenue; it has been often done on several parts of the Continent, because it is very difficult for the government, in collecting a small revenue, to do it so economically as a private individual can do it; but in the case of Singapore, as the handing it over to one person would have been the creation of a monopoly, I therefore endeavoured to prevent that by dividing the farm into five, six, eight or ten, according to its amount, selling each licence separately, disposing of the licence by public auction. There did not exist at all in my time, and I believe there does not exist now, any kind of monopoly in opium, spirits, wine, or anything else.

2491. The opium licence and the wine licence was in the hands of several persons?—A good number of persons; I think in the hands of 10, although the community was a very small one.

2492. Each licence was put up to public auction?—It was.

2493. Were any complaints made to you at that time of the system; how did it work?—It worked perfectly well, and realised a very large revenue. There was no complaint made against it. The only complaints I have heard of were the difficulties which the respective farmers had in securing their privileges. They were of course under the necessity now and then to have recourse to the police; but on the part of the European community, I never heard any objection made against it. Those excise farms, in the year 1845-6, I see by the printed copy of a public document that I have here, amounted to 42,500*l.* sterling per annum. Among those is included the fish market: that market is the property of the government; there are now two; in my time there was but one: it was built by the government upon government ground.

2494. Was the sale of fish confined to that market?—The sale of fish was not confined to that market by any express order; it has been confined to that market, because it was more convenient to sell it there than elsewhere; but there was no monopoly of it; they might hawk it about in the streets; but they could not erect stalls in the public streets for the purpose of selling it, which they attempted to do; that I stopped as a nuisance.

2495. What general powers were conferred upon the farmers to protect them in the collection of the revenue?—I think they had no power whatever, except of complaining to the police and prosecuting parties before the court.

2496. No power to board vessels?—Not the slightest. If the farmer of any revenue had presumed to do such a thing, he had better not have done it a second time; I never heard of such a thing.

2497. Therefore, on the part of the trade generally, you heard no complaints of the system of farming the revenue as you left it?—Certainly not.

2498. Are there not other sources of revenue from Crown lands; are not there extensive local assessments for local purposes in the nature of municipal taxes?—We have annual quit-rents in Singapore. With a population which must have been not less than 40,000 inhabitants, in the year ending the 30th of April 1846, the whole amount of the quit-rents was 2,779*l.* per annum. The quit-rents in Singapore were fixed by the late Sir Stamford Raffles, in so far as concerned the town lots; they were very unequal, and I think it could hardly be said that there was any principle assumed; they were very trifling. I have estimated what they amount to upon the actual gross rental, and I do not believe they exceed one per cent. A quit-rent of 2,700*l.* upon a flourishing settlement, which can contribute

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the amount of revenue I have mentioned, must be a very trifling one indeed. There are also transfer fees, that is to say, registration fees, when grants of land are passed from one hand to another, of about 200 *l.*

2499. How was the land disposed of?—The land in the town was disposed of on a perpetual grant originally by Sir Stamford Raffles. When I came to Singapore, I examined those grants, and sent some of them up for examination to the law officers of the Government in Bengal, and they found that they were very doubtful. They found also that if they were good grants, that is, good documents for the possession of the land, (which they ought to be considered,) they would be very inconvenient, because they would have created a realty in the land, accompanied by all the difficulties of a transfer; and it was advised to convert them into a lease of 999 years, which I accomplished; and the grants are now all leases for 999 years, paying a small quit-rent.

2500. How was a grant obtainable?—First, there was an application for a location ticket, and when the ground was cleared and the house built, and the conditions fulfilled, the party was entitled to receive his grant upon paying a very small fee.

2501. Was it open in any way to public tender or competition, as to the amount of the rent?—In the first instance, most of the land was given away which formed the site of the town of Singapore. That was the only land of any value, for the lands in the country were of no value.

2502. When you say "given away," what do you mean?—Granted upon the payment of a very small quit-rent.

2503. Was it granted by the absolute power of the governor for the time being, without any competition?—Yes. There were attempts made by Sir Stamford Raffles and myself to sell lands by public auction, but they turned out fictitious sales; nobody paid, and we were obliged to cancel them. Latterly, since the settlement has augmented, lands have been sold for a considerable amount, for eight and ten years' purchase. There is an account in this paper of a few, but not a very considerable amount. They are called lands sold under notice for agricultural purposes. I see about 1,000 *l.* value sold there in 1845 and 1846, but a much larger amount had been sold in the previous year.

2504. Dr. *Bowring.*] Did you hear the evidence given here, as to the mode in which land had been sold at Hong Kong?—I heard the evidence of Mr. Matheson partially, but not very distinctly.

2505. Has the granting of those very long leases very much facilitated the transfer of lands?—It was a very great advantage to new settlers, and a very great advantage to the community.

2506. Do not you think that the application of the same system to Hong Kong would be beneficial?—I think so. The Supreme Government, on the representation of the local government of Singapore, after I went away, discontinued the system. Although they had approved of this system in my time, they disapproved of it afterwards, under the direction of a very able man, the late Mr. Fallerton, who was, however, very much addicted to what I call revenue-mongery; he had come from Madras, and he was under the impression that at Singapore, which is in its nature a new European colony, a newly founded place, a land tax might be levied, as in the old country of Madras, and he set about it; but it caused great discontent and dissatisfaction, and gradually the system has been discontinued; and I think the government are falling into the old plan of selling in perpetuity.

2507. Viscount *Jocelyn.*] Was that land chiefly purchased by British residents there, or by Chinese or other merchants?—By everybody indiscriminately. Everybody that wanted land bought; there was no prohibition; British merchants, from the first moment, were permitted to hold land in Singapore.

2508. Mr. *Hawes.*] With regard to the purchase and sale of land, when the land had been granted upon 999 years leases, those purchases and sales were all between private individuals, not as between the government and parties?—In my time, anybody that thought proper to have a grant, might have it upon 999 years lease.

2509. The grant having been made, the purchases and sales that you speak of were between individuals?—Yes. Then it must be recollected that after it had fallen into the hands of individuals, the land had assumed a totally different character from what it had in the hands of the government; that it had, by clearing the land, which is a very expensive process, by forming foundations for

houses and by building houses upon it, acquired a greatly enhanced value; before it may be said to have been valueless. It was made valuable by the industry and capital of the settlers; it had in itself little or no value.

2510. Dr. *Bowring.*] How did the government regulate the quit-rents for the lands?—The whole of the quit-rents were fixed arbitrarily by Sir Stamford Raffles, at a very small amount, previously to my arrival. I had nothing to do with the quit-rents.

2511. You gave effect to his arrangement?—I did, only converting his grants into leases for 999 years; in a community where there were a great number of people who knew nothing about English law, it was important to get rid of the difficulties of a real property.

2512. What was the maximum rent?—I said that about one per cent. might be considered the rate on the present rental; on the value of the ground in its unimproved state, it was much larger in proportion of course. Everything was done by the industry, the ingenuity, and the capital of the settlers; the land had no value, and the government had no right to receive a value for it.

2513. Viscount *Jocelyn.*] The government, in fact, received no revenue from the land?—The government received nothing but the quit-rents.

2514. Dr. *Bowring.*] What was the quit-rent per acre or per lot?—It varied according to the locality; there was no fixed sum; all that I recollect just now is, that upon the present rental it would amount to about one per cent.

2515. Mr. *Hawes.*] That is, upon the present enhanced rental?—Yes. It was considered too trifling to be a matter of much importance. The population of Singapore just now, a flourishing population, cannot be much less than 50,000 inhabitants, and the quit-rents are not much more than 2,700*l.* sterling; they are a mere trifle.

2516. Dr. *Bowring.*] But one per cent. on a greatly improved value would represent a very large amount as regards the unimproved property?—Certainly, I have just so stated it. This refers solely to townlands; it has nothing to do with the property in the country.

2517. Do you recollect what was the greatest sum paid for frontage, or for any of the ground, in the shape of quit-rents?—I could get it, but it would be a matter of calculation.

2518. Mr. *Matheson.*] Have you any recollection what may have been paid for such a lot as Johnston & Company had at Singapore?—I do not know the exact amount of the quit-rent, but I should think it would not amount to 10*l.*

2519. Mr. *Hawes.*] Are there not at Singapore very large municipal taxes for local purposes?—There are municipal taxes which are adequate for the purpose, but not large ones. There is a police tax, and it is the only one that exists; the police tax is five per cent. upon the rated houses in the town, and two and a half per cent. upon the rated rental in the country; all that has taken place since my time.

2520. Is that paid by the proprietor, or by the tenant?—It is paid invariably by the tenant, as a matter of convenience to the public; if it were paid by the proprietor, there would be no distraining upon him for the tax.

2521. At that time the East India Company contributed a considerable sum to the cost of the establishment there?—Yes. I will not say that they contributed largely, because I think we just succeeded in making both ends meet. The establishment was very trifling in my time; there was a governor and two assistants, and a very small military force, a hundred sepoys.

2522. Can you state the extent of the public establishments at Singapore, and their cost?—Yes, they are all put down here. The three settlements of Prince of Wales's Island, Singapore, and Malacca, are an united government; there is a governor between the three, and a resident Councillor for each. At the time I speak of there was nobody but the resident and two assistants, and a small military force at Singapore.

2523. And his jurisdiction was confined to Singapore?—Entirely to Singapore.

2524. Will you state the cost?—The sum total of the expenditure of Singapore, without reference to what is common between it and the other three settlements, is about 20,000*l.* sterling for its civil establishment in the year 1845–6.

2525. Viscount *Jocelyn.*] Do you include in that the salary of the governor?—No, the salary of the governor and the expenses of the Court of Judicature are divided equally between the three settlements, and they amount for Singapore alone to 5,395*l.*, the sum total of the revenue being 53,000*l.* sterling.

2526. Mr. *Hawes.*] The revenue of Singapore alone?—The revenue of Singapore alone. The excess of receipts over the expenditure amounts to 27,750 *l.*; this does not include the military establishment, nor the charge of a certain number of convicts that are thrown upon Singapore from Bengal, Madras, and Bombay; these are charged respectively to each of those governments, and the military expenses are charged to Madras.

2527. How are the military charges defrayed?—By the Madras government exclusively.

2528. Dr. *Bowring.*] Is the colony only supplied by the Company's troops?—Entirely by sepoys from the Madras presidency, with a small number of artillery.

2529. *Chairman.*] Do you see any objection to the introduction of the same system at Hong Kong which you have described as existing at Singapore?—In as far as the spirit farm is concerned, I should not see an objection to it; and I should not, for my own part, see any objection to a tax on gaming, so far as controlling gaming is concerned; but with respect to the retail of opium, I think it is most decidedly objectionable at Hong Kong, and I have no hesitation in saying that it ought to be immediately abolished. The circumstances of Singapore and Hong Kong are so totally opposite in respect to this particular branch of revenue, that it is impossible that the system that applies to one can apply to the other. Hong Kong is within a mile and a half of the Chinese shore, and may carry on a large export trade in prepared opium, impossible with a revenue farm. We have no population in the neighbourhood of Singapore, and cannot, therefore, have an export trade in prepared opium. Our local consumption never interferes with the general trade at all.

2530. What is the number of Chinese settlers at Singapore?—I think, as far as I remember from the population returns, about 20,000 was the last number.

2531. Mr. *Hawes.*] Was this revenue upon the prepared opium pretty fairly collected?—I think it was.

2532. Were there any great facilities for landing opium upon the coast?—Every facility for landing it. I dare say the farmer of the excise revenue was very often cheated; but he gave what the thing was worth; and that was a considerable amount, increasing year after year.

2533. Do you, in point of fact, think that there was much smuggling or not?—I should think not.

2534. Viscount *Jocelyn.*] It is not very easy to smuggle into Singapore?—Yes, it would be easy enough to smuggle if it were worth while; they could go into the woods at a short distance, and come round to the back of the town.

2535. Mr. *Matheson.*] Did you ever hear of the opium farm being made a source of abuse in pursuing and apprehending men who were suspected of contravening it, just as if they were criminals?—I think I never heard of such a thing; I am sure that if anything of that sort had been done, neither myself nor the other local parties in charge of the civil administration, or who have since been in charge of the civil administration, would for a moment have permitted such a thing to pass.

2536. How long were you in Singapore?—Between three and four years.

2537. Dr. *Bowring.*] At what period?—From 1823 to 1826.

2538. Mr. *Brown.*] You must necessarily, from the position you held there, have had your attention turned to the coasting junk trade of China; do you see any probability of China, through any of its other settlements, being able to pay us for a larger quantity of British manufactures?—The Committee probably are aware that there is a very considerable amount of trade carried on with various parts of the Eastern Archipelago by Chinese, direct, or by Chinese residing in those countries, what is called junk trade; but after all it amounts to something very inconsiderable in comparison with the European trade. Here is a statement for the year 1845-6, for Singapore. In my time it was very moderate indeed, but it is constantly increasing; and I find that it is even more the last two years, although there was some expectation that, in consequence of the opening of the new ports, it would decline. But it has not done so. On the contrary, there is an increase. I find that the junk trade at Singapore in 1845-46, amounted to 122 junks of very various sizes, some of them very small; others of very considerable burden; some not exceeding 100 tons burden; others running up to six, seven, and 800 tons; amounting in all to 15,127 tons. This was an increase of no less than 50 junks, of 1,595 tons in one year. The number of emigrants that arrived from China at Singapore in the year 1845-46, was 11,653. The whole value of the China trade is given here; the exports and imports. But the junk trade and

*J. Crawfurd*, Esq.

6 May 1847.

European trade are mixed up together, so there is no possibility of discriminating them.

2539. Dr. *Bowring.*] Is there any junk trade between Singapore and Japan?—None whatever; nor between Japan and any other country in the world except Batavia, and one port of China.

2540. Mr. *Hawes.*] What was the largest extent of land granted to any one individual at Singapore?—The value of the land was not estimated by the extent of it, but by the locality. The largest grants of land that were ever made were mere trifles; land in the country was in my time of no value; nobody would have it; it would not be given to anybody that would make a monopoly of it. Any man that would have promised to clear a fourth part of the island might have had it; but it was a matter of extreme difficulty to clear the land, and no one would accept a large lot on such conditions. The jungle consists of tall trees, standing so thick together in the moist parts, and so tangled with low jungle, that it is almost impossible to pass through it; the wood is moreover very hard, and generally of no value when cut down.

2541. Dr. *Bowring.*] Was there no case of a grant to the extent of 10 acres?—I cannot recollect any.

2542. Mr. *Matheson.*] Reverting to the subject of tea, have you ever heard whether the Bohea tea commonly consisted mainly of a spurious leaf grown in the Canton province, named Wo-ping, which derived its chief value from being mixed with Congou, and which was named Fokien Bohea at the time?—I never heard of that.

2543. *Chairman.*] Are you aware that that was given in evidence before the Committee in 1834?—Not at all.

2544. From your intercourse with the Eastern Archipelago, have not you found the Chinese great emigrants, willing to apply themselves to labour, and willing to transfer themselves to other countries?—They are very well conducted, and very industrious, and very useful colonists. There are no people in the world more easy to manage, I think, and who can behave better when they are well treated. I might mention one curious example of it: I was engaged in negotiating a treaty with the native princes, Malays, who were not quite so respectable a people as the Chinese, either in point of morals or industry. They were rather restive, and our whole military force consisted only of 100 sepoys. The chief Chinese merchants came to me, and told me, that if I had any apprehension at all that the military force was not quite strong enough, they were perfectly ready to come and protect the British settlement, and that they had 2,000 of the best young men at my service. Their services, however, were not required.

2545. At what time was that?—In the year 1824, when I was negotiating with the native princes for the cession of the island in perpetuity, with all the islands 10 miles round it. This is the treaty which is now in operation.

Mr. *John Silverlock*, called in; and Examined.

Mr. *J. Silverlock.*

2546. *Chairman* (Viscount *Sandon*). HAVE you been in China?—Yes.

2546*. For what length of time, and when did you leave it?—I was eight years in China, and I left at the end of January last.

2547. Were you in business in China?—I have not been in business on my own account all the time; I was part of the time tea inspector in a house in Canton.

2548. Were you at Canton the whole of that period?—That was my residence; I left it for a time to go to Hong Kong, and I have been at Shang-hai, but merely on a visit.

2549. What is the result of your experience as to the variations in the price of tea in China?—With the permission of the Committee, I will read a memorandum which I made upon that point, which also bears reference to a remark in the printed "Returns of the Trade," at page 104. It is there stated, in proof of an advance in the prices of tea, that good Congous, which the Company used to buy at 28 to 29 taels, are now eagerly bought at upwards of 40 taels. This appears to me to be an error, caused by the writer's want of knowledge of the qualities of tea, because Congous of such fine quality as those mentioned as costing upwards of 40 taels, were not manufactured until after the Company's monopoly had ceased; therefore the cost cannot be compared with prices paid by the East India Company. In my opinion such teas have been bought in the last three or four seasons at four to five taels under those prices of 28 and 29 taels.

2550. Such

2550. Such teas as in fact were sold at 28 and 29 during the monopoly?—Yes, and even in some cases a great reduction under that. Those Congou teas were called Sinchuen teas, but we seldom get them now so fine in quality as they were made in the Company's time; that is in consequence of the taste of the people in England having changed. The quantity of fine Congou shipped to Great Britain has considerably increased of late years; the prices having varied according to circumstances. If the Committee please, I will state the prices at which the market opened for three seasons. In the season of 1843-44 the market was opened at 31 taels, or taking it without the duty, at 27 for the finest Congou, that 27 taels being the price paid to the manufacturers, who were reported to have realized a considerable profit by the sale of the teas at those prices. In 1844-45 and 1845-46, the prices advanced to 40 taels and upwards, as mentioned in that despatch. In 1846-47, the present season, the opening price was 32 taels on board, including the whole of the duty, for the finest Congous, the same teas that had been bought at 40 up to 45 taels in the previous season.

2551. Mr. *Harcourt.*] Under what name are the high-priced teas sold here?—The finest Congou.

2552. *Chairman.*] What were the circumstances which caused the difference of price at those two periods?—In 1843-44, the cost being 31 taels only, they sold here at a very large profit, in consequence of which increased orders were sent out to China, and the competition raised the price in the two following seasons up to 40 taels and upwards, from the anxiety of parties there to purchase that particular kind of tea. Since the trade has been opened, the shipments of fancy teas have increased very considerably, but just now they are less esteemed than they were a few years since.

2553. Mr. *Harcourt.*] What do you mean by "fancy" teas?—Teas that were not imported by the East India Company, but imported in the private trade of their commanders and officers; different descriptions of tea, such as Orange Pekoe tea, and scented teas prepared differently, the Company only importing what were called standard qualities. A great quantity of common Congou teas have been sent to meet the demand for low-priced teas in this country.

2554. Mr. *Ewart.*] Is that the Wo-ping tea?—Some of the Wo-ping leaf is introduced into the manufacture, but it is made into black tea and green tea of various kinds.

2555. *Chairman.*] Have you any evidence to adduce to identify the Congou alluded to by Mr. Thom, as having been bought in the time of the Company at 28 and 29 taels, as being inferior tea to that which he states as being now bought at 40?—My opinion is founded upon being a judge of tea, constantly in the market buying tea.

2556. You recollect what was bought at 28 and 29 taels in the time of the Company?—Yes; we have tea brought from the same district. Sinchuen Congous are not now so much liked as formerly. We get a finer quality of tea.

2557. You have no doubt that the tea which was sold at 28 or 29 taels in the time of the Company, is inferior tea to that which was sold at the time Mr. Consul Thom wrote, at 40?—It is so far inferior, that it is not considered so valuable in England as the other tea; looking at it botanically, a person might have a different opinion.

2558. Can you offer to the Committee any evidence respecting the capacity of China to yield speedily large additional supplies of tea, if required?—It appears almost impossible to obtain positive information as to the quantity of tea that can be produced in China, but I have reason for believing that China is capable of supplying any demand that may arise consequent upon a reduction of the duty in this country, even should we require a hundred to a hundred and fifty millions of pounds per annum. This opinion is formed partly from facts coming under my own observation and experience, and partly from information received from Chinese. Some months before I left China, my advices from England mentioned that a doubt on this head was an obstacle in the way of obtaining a reduction of the duty. I then sought information from the Chinese engaged in the trade; men who purchase the leaf from the farmers, manipulate it, and bring it to Canton for sale, whom we call the teamen, and the general answer obtained was, that almost any increased demand could be met. I should say that some time must be given to them to provide it, but I think if we take the quantity at 60,000,000 lbs., which we get this season from Canton, and assume that the Chinese knew, three

Mr. *J. Silverlock.*

May 1847.

months hence, that we should require 100,000,000 lbs. next season, we should get it. I state this from what I have seen in former seasons. There is no scarcity of tea.

2559. What is the greatest increase between one season and another that you have ever known?—Last year, I think the export was 56,000,000 lbs.; I think it has been down to 27,000,000 lbs. Considering the immense consumption of tea in China, where it is almost the only beverage of all classes, certainly in all parts of the empire yet visited by British merchants, used by everybody on all occasions, by labourers, boat people, servants, and every class of persons at different times in the day, as their ordinary beverage, the quantity exported must be a mere fraction of the produce of the country.

2560. Dr. *Bowring.*] Is there any particular period of the year at which the sellers in Canton make their arrangements with the producers for the season?—They generally begin to make their arrangements in January and February; they leave Canton for the tea country about that time; about February or March.

2561. In what month is the tea gathered?—Early in the year; in the spring.

2562. *Chairman.*] When would it be fit for market?—It arrives in Canton about the beginning of July; but I know from the Chinese makers of tea that they have various pickings, the first picking being the finest quality.

2563. Then they would require six or seven months' notice to increase considerably the quantity?—It would depend a great deal upon the time of year at which such notice could be given to them. It would only be necessary, provided they were obliged to obtain that increased quantity by increased cultivation.

2564. Do you believe that it would require increased cultivation to increase the supply considerably?—It would depend upon the amount of the supply required. I believe that the quantity exported is a mere fraction of the quantity produced in the country.

2565. Are you aware whether the qualities of tea which they use themselves can be converted into tea fit for the English market?—I believe that they can.

2566. Is that the result of the inquiry which you have made?—It is also the result of observation. When I was at Shang-hai, in the month of September and part of October 1846, many parcels of green teas were brought to me, differing in flavour and appearance from any that I had previously seen in Canton. It was a good leaf, and capable of being sorted out and made into the different kinds; such as Twankay, Hyson, Hyson Skin, Hyson Imperial, and Gunpowder; but it was not sufficiently dried or manipulated, or coloured, to suit the English market. From this fact I judged that it had been made by persons but little acquainted with the mode of manufacture suitable to English buyers, and inquiry among the Chinese merchants and brokers confirmed this opinion.

2567. When the teamen tell you that they can supply this large quantity, do they tell you by what means they can provide it?—No.

2568. Whether they would do it by giving orders for fresh cultivation, or by a different manufacture of that which is already produced?—No, they do not state that.

2569. Mr. *Ewart.*] Does your experience lead you to believe, that it is the same plant manufactured in different ways for green and black tea?—I believe it to be the same plant all over the country. Tea is cultivated in various parts of the country, and so far as I have yet been able to discover, black and green teas are made from the same description of plant; the quality of the leaf, and its value for the purpose of manufacture into the different kinds of tea, depending on the soil and climate in which it is grown.

2570. Dr. *Bowring.*] Are you aware of the time occupied between the picking of the leaf and the manufacture of the tea?—Not precisely.

2571. Sir *G. Staunton.*] In saying that they are all the same plant, you still consider that there are different varieties of quality?—Yes; I have stated that the different qualities depend upon the soil, and the climate where it is grown; I am not aware that any one has been able to inspect the tea plants in the tea country, therefore we can only form our opinions upon that from what we see in Canton and the neighbourhood.

2572. Mr. *Ewart.*] There are some plants better qualified to produce black tea, and some better qualified to produce green tea?—Yes.

2573. Although the same plant is convertible into either black or green tea?—Yes. The black tea grown or made in the Sinchuen district, and the greens in the Moning country, are of their respective kinds considered by the Chinese to

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be best; but in the present day, the finest Sinchuen Congou is not worth so much in the British market as Congous grown and manufactured in other districts. The leaf now used in the manufacture of the finest Congou, called Moling or Moning, raised by the same people, was not used, or but little used for that purpose during the Company's trade, but up to about the years 1837 and 1838, it was used in the manufacture of green teas. So that the leaf, of which the finest Congous are now made, was formerly used in the manufacture of green teas.

2574. Mr. *Ewart.*] Where does the Moning Congou come from?—It is a district called Moning; I do not know exactly the latitude; it is a short distance from Canton.

2575. Mr. *Matheson.*] In what province is it produced?—I believe it to be in the Canton province; it is much nearer than any other black tea district; it arrives in Canton earliest in the season.

2576. It is to the south of the famous Myling Pass?—I believe it is; I understand from the Chinese that it comes all the distance in boats; there is no land carriage.

2577. *Chairman.*] Is not the increased consumption of this country now provided by the Chinese at a smaller cost than it was in the time of the East India Company? Is not the price of tea, now, when we have a larger demand for this market, lower than it was when we had a smaller demand?—That is a question which I cannot answer; the price in Canton depends upon so many different circumstances; the price of tea does not depend entirely upon the quantity which we require from the Chinese.

2578. Is it lower or higher now than it was when we consumed half the quantity?—I cannot say, but I mentioned that tea bought by the Company at 28 and 29 taels can now be bought at a cheaper rate.

2579. Is there any large proportion of that quality?—There is a considerable proportion; Congou tea is the chief consumption of black tea in this country.

2580. Does that quality of black tea which is so purchaseable form any large proportion of the whole?—No; we get a finer quality of Congou than that, which has varied considerably in price.

2581. Is the Congou tea, which is the great bulk of our consumption, now dearer or cheaper than it was 10 years ago?—Taking the same qualities of Congou tea that were ordinarily shipped to England, it is cheaper.

2582. Then the effect of the increased demand has not been to raise the price in the long run?—Certainly not.

2583. Mr. *Harcourt.*] You spoke of teas not manipulated or coloured for the English market; is the colour essential; is the flavour connected with the colour?—The tea is obliged to be coloured to suit the English market, to give it the proper appearance.

2584. Does it give it more flavour also?—It sometimes injures the flavour of the tea.

2585. Mr. *Ewart.*] Do you speak of the colour of the green tea?—Yes.

2586. How is the colour given?—It is some chemical process.

2587. Sir *G. Staunton.*] When you test the quality of tea, you do it by infusion as well as by colour?—Yes; by the smell of the tea and the appearance of the leaf before infusion, and the appearance of the leaf after infusion. I would also observe, that when this tea was shown to me in Shang-hai, which I saw was deficient in point of appearance and manufacture to suit this market, I was enabled to give those Chinese certain hints which would enable them to make it in a form suitable to the British market.

2588. Mr. *Matheson.*] What opportunities had you of knowing the qualities of the tea imported by the East India Company?—I was in a wholesale tea house in London in 1833, and remained there till 1839, when I went out to China, and was constantly occupied in judging of the qualities of tea.

2589. You merely knew the appearance of those teas in this country?—Yes; but I was perfectly able to recognise them in China, having seen them there.

2590. Mr. *Parker.*] Is the present rate of duty a great matter of complaint among the Chinese with whom you came in contact?—It is frequently spoken of as being very excessive.

2591. When the Chinese made those representations to you about the probable increase in the production of tea in future, and the great extent to which the cultivation of tea might be increased, they would have a decided interest in making those representations?—Yes, certainly.

Mr. *J. Silverlock.*

6 May 1847.

2592. Have you ever considered what effect a considerable reduction in the duty would have upon the revenue?—No; that is a point upon which I have not considered it. The evidence that I wished to give was principally as to the qualities of tea, and the extent of supply that can be obtained from China.

2593. Viscount *Jocelyn.*] Do you know anything as regards the internal duties levied by the Chinese upon the transit of imported goods?—I do not. We are sometimes told that they have certain duties; but by the treaty, I think, with regard to tea, there are to be no transit duties.

2594. Are you aware whether there are duties levied upon the imports as they pass up the country?—I believe there are certain fees given to the mandarins at different passes.

2595. *Chairman.*] Have you ever had a discussion with any of the Chinese about the English duty on tea?—Yes; it is frequently mentioned by them as being excessive, and they wished it might be reduced.

2596. Mr. *Ewart.*] Are the tonnage dues high at Canton?—No; they are considerably lowered.

2597. Dr. *Bowring.*] Are there any other grievances of which you have to complain at Canton, except the high duty on tea?—I do not wish to complain of that. I do not wish to advocate anything respecting the duty, but merely to tell the Committee what I know about it.

2598. You have signed a petition, which has been referred to this Committee, which makes many complaints of grievances on the part of the British merchants at Canton; can you state what those grievances are?—I am not prepared with them at present. I fully agree in the prayer of that petition.

2599. Sir *G. Staunton.*] The petition prays "for the better protection of the lives, property, and trade of British subjects in China, and for securing to them all the privileges to which they are entitled by treaty;" in what respect do you require better protection?—That is a subject that I did not expect to enter upon in this examination; but with regard to protection in Canton, I consider that we have had no protection at all.

2600. What kind of protection do you think is desirable?—That we should have some protection against the violence of the Chinese people in cases of riot, by means of a steamer or a ship of war; whichever would appear best to the authorities in Hong Kong.

2601. Supposing that a steamer or ship of war is stationed in the river, you do not look to any other means of protection?—I would rather look to a British vessel in the river than to any protection that the Chinese can give.

2602. If that has been done, you think that as much has been done as can be done by the British authorities; you are not aware of anything else that they can do?—Not that they can do by British force. I think the Chinese authorities ought to be compelled to protect British residents living in their city.

2603. In what manner are the British authorities to obtain that protection?—That is a question for the British Government. I cannot presume to answer that question.

2604. But you do not see yourself any mode by which the British authorities could compel the Chinese to give that protection?—No.

2605. Dr. *Bowring.*] Do you believe that if the mandarins at Canton exerted their influence amongst the people, and were really desirous of protecting British subjects, they would not have adequate means of protecting them?—I have seen the Chinese force brought to the factories attempting to control the mob, and the mob has driven away the Chinese authorities in the presence of the mandarins.

2606. Was that in consequence of the insufficiency of the force?—I presume so; the mob was stronger than the Government force.

2607. That implies that the military force at Canton is not sufficient for the protection of the merchants settled there?—It is a proof that they did not bring to the factories a sufficient number of soldiers to protect us, but what number they had in the city it is impossible to ascertain; they might have thousands or hundreds of thousands in the city if they had brought them out.

2608. Do you suppose that if the Government at Pekin were disposed cordially to assist the mandarins at Canton, and the mandarins were also willing to put forth their authority for the purpose, it would be practicable for them to give adequate protection to British subjects?—I should certainly think so; it is a matter of physical strength entirely.

2609. *Chairman.*]

2609. *Chairman.*] Are you aware that in one of the riots the house of the governor of the city was attacked, and burnt down?—Yes, I was in Canton at the time.

2610. Therefore that is some evidence that their power to control the mob is not sufficient for their own security?—It is evident that they had not sufficient power in Canton at the moment, but the power in the country was sufficient.

2611. Does not the inability of the Chinese Government to give protection to foreign residents make it more requisite that an English force should be there to co-operate with any attempts made by the Canton authorities?—I think it is necessary that an English force should be in Canton for the protection of British merchants at the present moment.

2612. Sir *G. Staunton.*] You do not mean a force on shore?—No; I think a sloop of war in the river would be sufficient; that would operate as a check upon the Chinese; the chances are, that with such a force, we should have no disturbances.

2613. Dr. *Bowring.*] Do you attribute the want of protection of the British merchants to the inability of the Chinese authorities to protect them, or to their unwillingness?—I do not know that I can answer that question; I have had my own feeling upon it occasionally.

2614. Viscount *Jocelyn.*] There are a number of American merchants located at Canton?—Yes.

2615. What protection have they?—They appear not to have any.

2616. Have you ever heard that they have called upon their Government for protection?—I have not heard that they have.

2617. *Chairman.*] Have they been exposed to the same inconveniences as the English merchants have?—At times they have; sometimes the violence of the mob has been directed against the English exclusively; at other times against all foreign residents.

2618. Viscount *Jocelyn.*] Have you ever heard of any other merchants complaining that their government should protect them?—I have often heard people complaining of the want of protection at Canton. I have not heard of petitions to the governments.

2619. There is a large body of merchants at Canton who are Americans?—Yes.

2620. Dr. *Bowring.*] Does the same state of things exist at Shang-hai and the other ports?—I am not aware of it.

2621. Viscount *Jocelyn.*] Have you any reason for thinking that the British merchants require more protection than any other merchants at Canton?—No.

2622. There is no greater hostility on the part of the Chinese towards British merchants than there is towards others?—I think there is; there certainly was some time ago, and I think it has continued.

2623. Mr. *Matheson.*] A sort of vindictive feeling, on account of the war we have waged with them?—It appears so to me.

2624. Dr. *Bowring.*] Were you at Canton when the outbreak took place in which Mr. Compton was concerned?—Yes.

2625. Do you think on that occasion that the Chinese authorities gave the protection they might have given?—Certainly not. The house that was attacked was next but one to my own house in Canton. When I left the river I could not get to my own house; I was compelled to go through the back streets, and over the roof and through one of the windows in my own house, in consequence of the violence of the mob.

2626. How long was it before there was any interference with the rioters?—I do not recollect positively; I think perhaps an hour and a half, or two hours might have elapsed.

2627. Were representations immediately made to the consul by the British residents?—I understood that Mr. Compton made a representation before the disturbance took place.

2628. Are you aware whether the consul made representations to the Chinese authorities?—I do not know that fact. I think that the statements made by the consul will explain all those matters. I do not remember exactly the details.

2629. *Chairman.*] Is there any other point upon which you have any statement to make to the Committee?—There is one point which bears reference to the qualities of teas, upon which I wish to speak, with regard to a graduated scale of duties, which I think objectionable, on account of the impossibility that an in-

Mr. *J. Silverlock.*

6 May 1847.

spector of tea can discriminate between the highest quality of one kind, and the lowest quality of the next grade; as between the finest Fokien Bohea and common Congou; between fine Congou and Souchong; and between Twankay and Hyson; also between some kinds of common Souchong and common Congou.

2630. Are not the values of those teas varying from year to year according to fashion, taste, and demand?—Certainly they are.

2631. The same quality would not in two following years as a matter of course be of the same value in the market?—No.

2632. Would not that be an additional element of confusion and difficulty in assessing anything like an *ad valorem* duty?—Yes.

2633. Would not a custom-house officer who had gained a pretty good acquaintance with the qualities of tea one year be puzzled the following by finding that the quality of which he had ascertained pretty well the value in the previous year had altered its position in the market?—I do not think that a custom-house officer, however good a judge he might be, would be capable of fixing the value of tea in the market on its arrival. At the present moment tea may be called worth 1*s.* 6*d.* a pound, but if you wish to sell it you could not get more than 1*s.* 2*d.*; this arises from a variety of circumstances, the state of the money market and other causes.

2634. But there are peculiar difficulties in the nature of tea itself?—Yes; the high quality of one grade being so near to the common quality of the next grade.

2635. There are infinite shades of difference?—Yes; and also between common Souchong and common Congou; it would be difficult to say whether it should be called Congou or Souchong. In fact, some common Souchongs are a much inferior tea to good common Congou, although in the country sold as Souchong.

2636. Mr. *Ewart.*] Can you give the Committee any information as to the effect which the opium trade has upon our trade with China?—No. I have never been engaged in the opium trade; I have sold opium in Canton in small quantities, but I have never been engaged in the trade to know anything about it.

2637. You have not met with it as affecting your trade?—No.

2638. Viscount *Jocelyn.*] Do you know anything as regards the production of sugar in China?—I have not made any memorandum of it.

2639. Is it an increasing trade?—A great deal was shipped, but latterly there have not been great shipments of sugar in consequence of some alteration of the duties at home.

2640. Where was it chiefly shipped from?—From Canton; I have here a table from Mr. Gregson with reference to the cost of tea, showing how much a certain price in taels amounts to per pound in China; to which is added the amount of the charges that have to be paid before it is sold in London.

[*The same was delivered in, and is as follows:*]

COST OF TEA.

| Price in China, per Pekul, of 133⅓ Pounds. | Exchange, 4*s.* 4*d.* per Dollar, or 6*s.* per Tael. | Price in China, per Pekul, of 133⅓ Pounds. | Exchange, 4*s.* 4*d.* per Dollar, or 6*s.* per Tael. |
|---|---|---|---|
| Taels. | Cost per Pound in China. *d.* | Taels. | Cost per Pound in China. *d.* |
| 20 | 10·833 | 31 | 16·791 |
| 21 | 11·375 | 32 | 17·333 |
| 22 | 12·916 | 33 | 17·875 |
| 23 | 12·458 | 34 | 18·416 |
| 24 | 13·000 | 35 | 18·958 |
| 25 | 13·541 | 36 | 19·500 |
| 26 | 14·083 | 37 | 20·041 |
| 27 | 14·625 | 38 | 20·583 |
| 28 | 15·166 | 39 | 21·125 |
| 29 | 15·708 | 40 | 21·666 |
| 30 | 16·250 | | |

Exclusive of all charges, for which add 3½*d.* per pound, freight being taken at 5*l.* 5*s.* per ton, and insurance at 2½ per cent., and sale charges as paid. Thus, tea at 20 taels, exchange 4*s.* 4*d.* per dollar, will cost in London 14¼*d.* per pound.

*Alexander Matheson*, Esq. called in; and further Examined.



2641. Sir *G. Staunton.*] YOU stated that you thought that Hong Kong might have become a great emporium of trade?—Yes.

2642. And that, in fact, the trade was free and flourishing from the first establishment till 1843, when the peace was made, and that the effect of the treaties was that the junk trade was then in a manner exterminated?—Yes.

2643. And that from that time the trade progressively declined?—Yes.

2644. But that you thought, by a prudent course, the prosperity of the colony might be restored?—Yes.

2645. Do you mean by adhering strictly to the provisions of the existing treaty, or by the negotiation of some new treaty with China?—I mean adhering to the old treaty as rigidly as the Chinese adhere to it; that is, they do not observe it at all; but maintaining our position in China in the way which I conceive it ought to be maintained, and resisting the encroachments which the Chinese are constantly making when they find an opportunity. When they find a person representing us who is facile and timid, they always take advantage of it to make encroachments upon us.

2646. But supposing the Chinese did require a strict observance of the treaty, if we thought it right to comply with that demand, do you still think that by adopting that course the prosperity of the colony might be restored?—I think it might be better than it is now, even in that case.

2647. But you think that the existing treaties, if observed strictly, are a great impediment to the trade?—I do; I object to one article in the existing treaty, that about junks.

2648. By the existing treaties, every kind of commercial intercourse between Hong Kong and any port of China, except the five legalised ports, is prohibited?—It is.

2649. Is not the depôt at Cumsingmoon, which is now established, a contravention of the treaty?—It is, decidedly.

2650. And are not British subjects who frequent that depôt, in fact, out of the pale of British protection?—They are.

2651. Is it not liable to be pulled down, upon the remonstrance of the Chinese Government to the British authorities?—I should say not.

2652. Was not a remonstrance made against the establishment of Namoa some time ago?—Yes.

2653. And was it not either in part or altogether pulled down?—No, it is in existence now to a great extent.

2654. Was anything done by the Government at Hong Kong?—The governor of Hong Kong gave to those British subjects who were established at Namoa six months' notice, that after the expiration of those six months they would remain there at their own risk and peril; he would afford them no redress if they were attacked or driven away; but the Chinese Government, or any other government, have never interfered with them up to this hour.

2655. And the same course might in your opinion be pursued at Cumsingmoon?—Yes; the British subjects who are there were driven there as a matter of necessity, from being unable to carry on the settlement of Hong Kong.

2656. Mr. *Ewart.*] At Namoa are not the British subjects on good terms with the authorities?—Yes; they are on the best terms with the Chinese authorities.

2657. Dr. *Bowring.*] Is their presence considered a benefit to the inhabitants?—The inhabitants consider their presence a great benefit; the Europeans live afloat, but the Chinese like them so much that they hire or lend them horses to ride when they go on shore; and there are coffee-rooms, which they frequent during the day.

2658. Are they so popular with the inhabitants that they are allowed to ride along the shore?—They are.

2659. Sir *G. Staunton.*] You spoke of Cumsingmoon being under the Chinese rule; is that within the territory of the Chinese?—Yes; I am not aware of the extent of dominion that they exercise over it, but there is no other government there.

2660. It is under the Chinese Government, if it is under any?—Yes; there is a mandarin in the district, and I have no doubt that he derives revenue from the place.

*A. Matheson*, Esq.

6 May 1847.

2661. He takes no notice of the visits of Europeans?—No; on the contrary, he likes them very much.

2662. Are Europeans afloat at Cumsingmoon?—Yes.

2663. There is a billiard-room kept on shore for Europeans?—Yes; the Europeans breakfast and dine there, and stop the day there; and then they go on board at night to sleep.

2664. Dr. *Bowring*.] What is the distance of Cumsingmoon from Hong Kong?—The distance is between 30 and 40 miles.

2665. Mr. *Ewart*.] Do you suppose that the Chinese would object to the English being domiciled on the land?—It would not suit the English to be domiciled on the land; it would be too expensive for them to build houses there.

2666. Dr. *Bowring*.] If the Chinese attempted to drive them away, have they ample force to effect it?—Yes; they could cut off their supply of provisions, if they wished it.

2667. Sir *G. Staunton*.] As the cession of Hong Kong to the British was merely for the purpose of careening and fitting our ships, and keeping stores there for that purpose, do you consider that the expectation was entertained by the British or Chinese Government that Hong Kong would become a great emporium of trade?—Decidedly the British authorities in China expected that, and I imagine that the Chinese did.

2668. The expression in the treaty was otherwise; the words of the treaty are, "for the purpose of careening and fitting their ships, and keeping stores there for that purpose"?—I believe that was put in to pacify the Emperor.

2669. The Emperor did not contemplate more than that?—No.

2670. Mr. *Matheson*.] Macao is held on the same footing?—Not upon so good a footing, for it pays a direct tax to the Emperor of 500 taels.

2671. The same pretence is given upon which the Portuguese have obtained the ground?—Yes; as a shelter for their ships.

2672. Sir *G. Staunton*.] The present revenue of Hong Kong arises from the land rent; do you think that an equal revenue could be raised in any other manner so as to give satisfaction to the colony?—I myself prefer the land-tax to any other mode of taxation; if the taxation were restricted to a land-tax, I think it would be the cheapest way for the government, and, consequently, the cheapest way for us; and also the least inconvenient to the trade.

2673. But do you think that the amount that is now raised could be raised in some other manner to be more satisfactory to the colony?—I think not.

2674. *Chairman*.] You would rather prefer an increase of the land-tax and the abolition of the other petty taxes which now encumber the trade?—If the ground-rent which we now pay were reduced, I think a larger revenue than is now raised might be raised. If the farms which are in existence were abolished, and the ground-rents reduced, I think that the expenses of the colony would be much less than they are now, and that the revenue would be considerably greater.

2675. Sir *G. Staunton*.] In what way would you produce the same revenue?—I would induce the Chinese to settle in the colony by granting them leases on very moderate terms, at nominal quit-rents for a few years, so as to bring a large population into the place. I would fix a low rate of quit-rent for 10 years, and at the end of 10 years, if the government saw that the place was flourishing, and that the people could afford to pay a larger rent, I would increase it for a further term of 10 years, which would raise the revenue in proportion to the resources of the place.

2676. That is prospective; but at present you cannot raise the revenue in any other manner than as it is now raised?—No, not at present.

2677. Viscount *Jocelyn*.] You would, according to that plan, be rather short in your revenue for the next 10 or 12 years?—Yes; but it is necessary to make a place before you can derive a revenue from it.

2678. Sir *G. Staunton*.] You think that the present registration system in Hong Kong is very obnoxious, and ought to be abolished?—It is obnoxious; the most obnoxious possible.

2679. Would not some severe and strict registration be necessary in the present state of population of the colony?—The only thing I would propose to replace it with would be an additional police force. In order to keep up the registration system, a great many Europeans are employed, and their salaries would be saved if the registration system were abolished.

2680. You have given some instances of the great insecurity of persons living upon the island?—Our population of Chinese is at present confined to blackguards;

guards; for a respectable Chinaman will not go to the place at the risk of being flogged, and having his tail cut off. I conceive that if the registration was abolished, we should have a more respectable population than we have at present.

2681. What regulation would you substitute in place of it?—Registration is extremely objectionable. People in England cannot understand how objectionable it is; for instance, by the law of China a man's relations are responsible for his conduct. Now suppose a respectable Chinaman comes from the main land of China and settles in Hong Kong, and is registered in a book which is open to the inspection of all the mandarins; the mandarins find out all the respectable people who migrate to Hong Kong, and they immediately commence to oppress their relations who are left behind in the Chinese territory. That would prevent respectable Chinese from going to Hong Kong; for as long as registration exists, it exposes their relations to be persecuted by the Chinese authorities.

2682. *Chairman.*] It is desired by the Chinese authorities that there should be no settlement of Chinese at Hong Kong?—The Chinese authorities take all the measures that they can to prevent respectable Chinese going there.

2683. Dr. *Bowring.*] Is it not an offence for Chinese to leave China, and go to settle in another country?—Yes.

2684. Therefore the more respectable a Chinese is, the greater the risk he runs?—Yes.

2685. Viscount *Jocelyn.*] By the law of this country, he is not permitted to return?—No; they smuggle themselves back into the country when they do return.

2686. Sir *G. Staunton.*] You state that the opium trade amounts to 40,000 chests; producing 4 ½ millions sterling; how is that trade at present carried on —It is carried on on the old system; the opium is delivered from the vessel, on the price being paid for it.

2687. Suppose the Chinese Government were to legalize opium upon the payment of a moderate duty, as has been more than once proposed, what change would take place in the mode of supplying the opium, and how would that change operate?—It would then be sold openly in the ports.

2688. Would not it, upon the whole, be very advantageous to the general course of trade in China, to have a legalized trade rather than an anomalous one? —I prefer the present system; we should not get ready money for our opium in that case; it would become a barter trade, similar to the trade in British manufactures.

2689. But the prosperity of Hong Kong, as you contemplate, will mainly arise from its becoming the entrepôt for the great opium trade now carrying on between India and China?—I believe that it would become a place where silk manufactures would be established, and the manufactures of various other articles of China produce, which are now imported into England, and which, if they were manufactured in a British colony, would not pay above one-third or one-fourth of the duty which they pay now.

2690. But the prosperity of Hong Kong would mainly depend upon its being the entrepôt between the European ports and China?—Probably the first step towards its prosperity would be the renewal of the trade which existed there before the establishment of the opium farm; opium was prepared there for smoking; the extract was made there, which is used for smoking, and which goes into a very small bulk compared with the crude article; and after it was prepared it was re-exported and taken by the Chinese vessels, and conveyed for sale all along the coast of China, and from its being in such a small compass, it ran much less risk of detection than it does in the crude state.

2691. That would involve a contravention of our present treaty with China?— I consider the present treaty to be contravened every day in the week by the Chinese Government themselves; but I do not consider that this would be a contravention of the treaty.

2692. Mr. *Matheson.*] But did you not say, that you calculated on an extensive trade, not only in opium, but in British manufactures?—Yes.

2693. And you consider that if the trade of Hong Kong were to revive, the trade in British manufactures would revive?—Yes.

2694. *Chairman.*] Did you not say that the Chinese government contravened the treaty?—Yes.

2695. In what way?—In various ways; they do not protect us in Canton, and I consider that a material contravention of the treaty.

*A. Matheson, Esq.*

6 May 1847.

2696. Mr. *Ewart.*] Was it not a condition of the treaty that we should have the power of going into Canton?—Yes.

2697. And has not that been repeatedly urged on the Chinese government?—Yes.

2698. What was the answer of the government?—That we might go in at our own risk and peril; that they could not protect us.

2699. Sir *G. Staunton.*] Was not the surrender of Chusan delayed in consequence?—Yes.

2700. Do you think that if the restoration of Chusan had been delayed much longer, it would have exposed the English, as regards good faith, to great discredit?—I think it was better to avoid retaining Chusan for various reasons; first, it was a great expense to this country to retain the military force we kept up there; and again it might be construed by the Chinese into a very material departure from the treaty which we had made with them, and it was desirable, in a matter of such consequence, that we should keep faith with the Chinese.

2701. Are you aware of any other course which the British authorities could have pursued, to induce the Chinese government to facilitate our entry into Canton?— Strong remonstrances might have been made.

2702. Those seem to have been repeatedly made?—The impression in China is, that the remonstrances were not so strong as they might have been, but of course we are not in a position to judge.

2703. Dr. *Bowring.*] Are not remonstrances greatly assisted in China by the presence of an adequate force to support them?—Without that they are not of much value Chinese diplomacy upon paper and the reality, are two very different things.

2704. Do not you think that the whole of our success, both commercially and politically, in China of late years, has grown out of the circumstance of their being better able to recognize the power and influence of this country?—Yes, decidedly.

2705. Do you think that anything but that knowledge communicated to the Chinese could have improved our commercial relations?—No.

2706. Can you suggest any means by which an opening might be made to the imperial court of Pekin?—No, not at present. I think we are losing ground in China, instead of gaining ground; I mean politically.

2707. To what do you attribute that?—In every instance where an Englishman gets into trouble in China, the British authorities, instead of protecting their own subjects, almost invariably take the side of the Chinese; they seem to treat their own countrymen in a way that is not at all calculated to impress the Chinese with respect for them.

2708. Sir *G. Staunton.*] Have you any particular instance?—The last case was that of Mr. Compton. I was not in China at the time, but I have known Mr. Compton for 17 or 18 years.

2709. Viscount *Jocelyn.*] Do you know how the transaction commenced?—I believe it commenced from his upsetting a barber's stall.

2710. Do you know whether it commenced from his striking a Chinaman?—I do not know, but if a Chinaman came against him intentionally, I have no doubt he would push him off, and perhaps knock him down, and I would do the same thing.

2711. Sir *G. Staunton.*] Do you know anything of this statement made by the Government of Hong Kong in an official despatch, "that the fine levied upon Mr. Compton was imposed after the fullest inquiry, upon a complaint repeatedly urged against him by the Chinese government of a violation of treaties upon their own territory; that Mr. Compton, instead of stating his complaints against the Chinese to the consulate, as he was bound to do, had resorted to violence, and thereby excited a frightful tumult and bloodshed, in which three Chinese were killed, and the peaceful relations between the two countries endangered." This is an abstract of a despatch which I have seen printed?—Yes, I have seen the same thing; but I would be very sorry to give full credence to that report.

2712. That is an official statement of the British authorities?—Yes. I am satisfied that on various occasions, before I left China, British merchants at Canton were not sufficiently protected for want of a place of refuge in the river to which they could go in case of emergency, or to which they could convey their books and accounts.

2713. *Chairman.*] You believe that there is such a disposition on the part of the Chinese populace in Canton, and so little power over the populace, on the

part

part of the authorities, that the English, if protected at all, must protect themselves?—Yes; so convinced is every English and American merchant of that, that the last thing they do before going to bed, is to pack up their books and valuable papers, so that they can remove them at a moment's notice; they do not consider themselves in a safe position.

2714. Dr. *Bowring.*] Do you think that they would be protected if there was a disposition on the part of the Chinese authorities to protect them?—I do; I think the Chinese Government would have the power of protecting foreigners in Canton, if they were less apathetic than they are.

2715. Sir *G. Staunton.*] Have they been able always to protect their own subjects?—No.

2716. Dr. *Bowring.*] Have you any notion of the statistics of the population of Canton?—Not any beyond those which you have in printed books.

2717. Mr. *Ewart.*] Can you give the Committee any information on the subject of the opium trade?—I have stated already the quantity sold in China.

2718. Is not the introduction of opium connived at by the Chinese authorities?—It is.

2719. Is not the prohibition of it a most complete farce?—Decidedly.

2720. Sir *G. Staunton.*] If the trade is connived at by the Chinese government, why do they not ship it to the regular ports?—I believe that the British consuls make greater exertions to keep them out of the ports than the Chinese do.

2721. But, under the present state of the law, they cannot bring opium into the five legalized ports?—No; but in many instances they come just to the edge of the port; there is a line drawn which limits the port, and the ships are anchored just outside that line.

2722. Mr. *Matheson.*] Do vessels under other than the British flag deliver opium within the limits of the five ports?—Yes, they do.

2723. Sir *G. Staunton.*] But, in point of fact, they cannot deliver opium in the same manner as they can deliver manufactured articles?—No, it cannot appear in the manifest of the ship.

2724. Mr. *Moffatt.*] Do foreign flags deliver opium in an open way in Canton?—It does not appear in the manifests. But they tranship opium to native vessels in front of the factories.

2725. *Chairman.*] It is sold publicly in the streets of Canton?—No.

2726. But the shops are open?—Yes, it is smoked inside the houses.

2727. Dr. *Bowring.*] Have there lately been any interruptions on the part of the police to the sale of opium?—Not that I am aware of.

2728. Mr. *Ewart.*] Is the consumption of opium increasing in China?—It is.

2729. The importation has been paid for in sycee silver?—Yes, and in dollars.

2730. Is that the case now, or does it assume the character of a barter trade?—Of late years payment has been received for some parcels of opium in silk, otherwise it is paid for in sycee silver and Spanish dollars.

2731. Dr. *Bowring.*] Does the consumption of opium extend to the capital itself?—I understand so.

2732. Mr. *Ewart.*] Has the payment for the opium in sycee silver an effect upon the course of trade through India?—Yes.

2733. *Chairman.*] Do you imagine that the drain of silver, caused by the opium trade, is felt keenly by the Chinese authorities?—I do not know; for when the Chinese authorities were most pushed for money, which was during the war, sycee silver was more abundant than I ever saw it before or since; from being at a premium, it fell down to a discount.

2734. Viscount *Jocelyn.*] How do you account for that?—I can only account for it by the Chinese opening, during the war, the silver mines, and shutting them again; but of course I can give no positive evidence upon that.

2735. Dr. *Bowring.*] Is the objection to the importation of opium into China attributed principally to the unwillingness of the authorities there to authorize its use, or is their objection to the export of sycee silver in payment for the opium?—I believe that the export of sycee silver in payment for the opium is their great ground of objection.

2736. Sir *G. Staunton.*] But they do resist the introduction of opium?—They do not resist it now; since the peace there has been no interference whatever with reference to opium.

2737. But if their motive is that they object to the exportation of sycee silver, it must follow that they are sincere in their intention to put it down?—Before the war the exportation of sycee silver was contraband, and you could not export

*A. Matheson*, Esq. 6 May 1847.

sycee silver legally; now it is an article of legal export, and no longer contraband; you can buy sycee silver in the open market, which, previous to the war, you could not do; it was smuggled out of China.

2738. Mr. *Moffatt.*] Can you buy sycee silver in any quantities?—Yes.

2739. If you wanted to buy 100,000*l.* worth, could you do it?—Yes; we are obliged to buy sycee silver constantly in Canton, to pay our duties; they are all paid in sycee silver.

2740. Mr. *Ewart.*] The import of woollens in China has decreased?—The trade in woollens is not an increasing trade, but it has fluctuated very much.

2741. *Chairman.*] Have you heard any explanation of that decrease?—I believe that woollens are too expensive for the consumption of the great body of the people.

2742. Mr. *Ewart.*] Is not silk now forming a more considerable item of our import from China than it has done for several years?—Yes.

2743. Principally from Shang-hai?—Yes.

2744. In fact, it exceeds the export of tea from Shang-hai?—Yes, it did last year; but I believe the export of tea from Shang-hai will increase rapidly. My belief is, that the export of tea will always be equal to the import of British manufactures; I think that we could sell any quantity of British manufactures, so long as there was a corresponding market for tea in England.

2745. *Chairman.*] You think that the only limit to our exports to China is the power that we have of receiving tea in return?—Yes.

2746. And you see no means of increasing our power of obtaining tea in return, except by making the article cheaper in England?—No.

2747. You do not see any means of lowering the price in China?—None of lowering it materially.

2748. It must therefore arise from a reduction of the duty?—Yes.

2749. Therefore by a reduction of the duty alone can we increase our export trade with China?—Exactly.

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*Martis*, 11° *die Maii*, 1847.

MEMBERS PRESENT.

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| Dr. Bowring. | Mr. Moffatt. |
| Mr. Ewart. | Mr. Parker. |
| Mr. Harcourt. | Viscount Sandon. |
| Mr. Hawes. | Mr. J. A. Smith. |
| Viscount Jocelyn. | Mr. Spooner. |
| Mr. Matheson. | Sir George Staunton. |

VISCOUNT SANDON, IN THE CHAIR.

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*John Crawfurd*, Esq., called in; and further Examined.

*J. Crawfurd*, Esq. 11 May 1847.

2750. *Chairman.*] YOU have some information to give to the Committee as to the capacity of China to furnish an increased supply of tea?—Yes, without an increase of price. I have seen it confidently stated in some quarters that in the event of a greater demand existing for tea in this country, the prices in China would rise, and that the reduction of duty would, as a matter of necessity, not go into the pockets of the people of this country, but into the pockets of the proprietors of the lands capable of furnishing tea, under the hypothesis, of course, that those lands are limited in amount, which no doubt if such were the case, would be the fact. But, I believe it is a certain fact that we have no record that will exhibit an increase of the price of tea at Canton; that whatever reduction has taken place in the price of tea in this country, whether by the abolition of the monopoly, or by a reduction of duty, it never altered the price in China, which has continued stationary for a great number of years. I have seen a Canton Price Current dated as far back as the reign of Queen Anne. In a book, called "Lockyer's Trade in India," which

which was printed in London in 1711, there is a price current of teas pretty nearly with the same names as the present teas, and at about the same prices. There are some slight differences in denomination only. In fact, almost within our own time, some teas have disappeared altogether, which at one time were very current in the consumption of this country. If there be any difference, it is rather in favour of the cheapness of the modern teas, as compared with those of the Price Current I allude to. Now I see that in the year 1725, that is 14 years after the date of the Price Current I refer to, the consumption of tea in this country paying duty, that is to say, the deliveries, or rather the sales of the East India Company, amounted to about 370,000 lbs. weight. The other countries of Europe consumed, I believe, still less than ourselves, unless perhaps with the exception of Holland; and I am quite certain that if I estimate the whole consumption for all Europe, in the beginning of the 18th century, at a million of pounds weight, I give the full amount of it. Now I have been endeavouring to estimate what is the present consumption of tea in Europe and America, and I find that the importations of last year into this country for home consumption, and for the use of our colonies and foreign countries receiving teas from us, were 54,768,299 lbs. The imports into the United States in 1845 amounted to somewhat better than 20,000,000 lbs. weight. The others I have made a general estimate of, for I have had no time to make strict inquiry; but they are inconsiderable in comparison with these. I estimate the consumption of Holland to be about 3,000,000 of pounds weight. Next to ourselves, with reference to the population, Holland is the largest consuming country of tea per head per annum of any country in Europe. I have estimated the consumption of Germany at 1,000,000 lbs., because Germany receives a considerable supply from our re-export trade. The consumption of France, which I believe furnishes itself, is increasing considerably, and may be taken, I believe, at about 3,000,000 lbs.; and the consumption of Russia, I believe, is not over estimated at about 10,000,000 lbs., received over-land. Thus, instead of 1,000,000 lbs. which I estimate to have been consumed towards the commencement of the 18th century, there are now consumed upwards of 90,000,000 lbs. All this has been produced beyond what China could have produced before, because China had no other consumers than China itself and its near neighbours; the consumption, in short, was almost wholly domestic previously to that time. As a matter of curiosity I may give what I conceive to be the value of these 90,000,000 lbs. of tea; it is something like 7,000,000 *l.* sterling. That is the value in the different countries in Europe without duties, but paying freight and charges. But I can mention another fact to show the capacity of China to produce teas. About the time to which I referred, the beginning of the 18th century, China was in a state of revolution, and there was a wasteful war carried on by the irruption and final conquest of the Tartars, which lasted, I believe, the best part of half a century, by which China was thrown into a state of disorder and greatly depopulated, so that the best estimates of the population make it about 150,000,000 about that period; whereas now it is commonly estimated, and I do not think it is over estimated, at something like 370,000,000. It has been, in short, a great deal more than doubled, so there must have been double the quantity of tea produced to supply China itself. Besides all this, there has been a large emigrant population, or colonial Chinese population, sprung up in the interim, who are large consumers of tea, in the different European settlements, in Siam, Cochin China, and Tonquin.

2751. Mr. *Ewart.*] And also in Australia?—That is included in the European settlements.

2752. *Chairman.*] Have you included the export to Australia?—No, I have not included the export of tea; it is considerable, but would not greatly affect the vast mass of 90,000,000 lbs.

2753. Mr. *Hawes.*] Is there any export of tea to the islands in the eastern seas, and to Japan?—Yes, there is an export of a small quantity of very fine tea to Japan, but it is quite immaterial; in fact, the China trade to Japan is very small; it is limited to a small number of junks; I think 10.

2754. Is there any export to the Eastern Archipelago?—I alluded to that just now, when I alluded to the colonial establishments of the Chinese; there is a very considerable one. These circumstances show, of course, that there is no scarcity of that kind of land which is required in China for the production of tea. There is no doubt a very dense population in China; the

*J. Crawfurd*, Esq.

11 May 1847.

lowlands are very densely peopled, and if we had required corn from China, instead of tea, we could not have got it without an augmentation of price. But the case is very different with tea. I see from the very instructive, and I believe, very authentic book of Mr. Fortune, that he had travelled over the hills producing the tea which is exported. Perhaps he had not seen a great deal of the country, but certainly more than any other Englishman has ever seen, and he seems to be of opinion that the great mass of the hill country, fit for the production of tea, is at this moment untouched by the hand of man. In fact, under all the circumstances, I think that for practical purposes, the capacity of China to produce tea, without an augmentation of price, may be considered almost unlimited, or something like, one might almost say, the capacity of the coal fields in England to produce coal. A period, of course, may be contemplated when the price of teas shall rise by an augmentation of the rent, but it is far too distant for any practical purpose.

2755. *Chairman.*] Have you any information as to the possibility of getting tea from other sources than China?—The impression upon my mind is very strong, that so long at least as the land of China continues abundant, and the rent moderate, there is no other country which will be able to come into competition with China. There is no impression more strong upon my mind than that. There are other countries which can produce tea, but I am not aware of any country where all the elements for the production of good tea exist, except in China.

2756. Including the production and the manufacture?—Yes, including the bringing it into the market in a good marketable state; this requires cheap labour, a suitable soil, and suitable climate; it requires cheap labour, it requires skilled labour, and long practice, all which there is in China; and I am not aware that they exist anywhere else. In Brazil, if I am rightly informed, it has been a total failure. In Java also it has been a total failure, and I rather suspect also a failure in Assam.

2757. In Malacca it has been tried, has it not?—I do not know that it has, but Malacca is still worse. Malacca is just under the Equator. A distinguished botanist, now in this country, Dr. Wallich, stated to me that he was now thoroughly satisfied that the production of good tea required a distinct winter and a summer; that the sap must be a long while down, so as to gain strength to rise with vigour, so as to give a proper flavour to the tea; and if that be wanting, which it always is in countries within the Tropics, and especially close to the Equator, fine tea never can be produced. That is certainly my own impression, from what I saw in Cochin China. I passed through some tea gardens there, for tea is abundantly produced in Cochin China, but about as bad as it is possible to conceive tea to be. In the markets, when I first saw it, I could not believe it was tea. I thought it was a small kind of tobacco leaf; it had received no kind of manipulation, and in order to extract any flavour from it, it was necessary to boil it, and when that was done, there was plenty of colour, but very little flavour. In that way it is taken in large quantities by the natives. But China tea is still largely imported into Cochin China and into Tonquin, where also native tea is grown. In the Burmese country I saw no tea growing, but it was used as a kind of pickle in oil.

2758. Sir *G. Staunton.*] Do you consider the Assam tea a failure?—Yes; from what I hear I am disposed to think that the speculation will never succeed, and I think I said so the very first moment that it was announced.

2759. Are you aware that tea, which is said to be very good quality, is manufactured in the western part of India, in Kumaon?—Yes, I have heard so, but I am not sanguine in the expectation of ultimate success, even in Kumaon, because it wants skilled labour, and cheap labour.

2760. Tea is produced in great quantities in Assam?—In great quantities, but it is very different from the China tea.

2761. Is the failure in Assam from the inferior quality of the tea, or from the want of proper means to manufacture it?—I think the failure is on account of the climate, the nature of the species or variety of the plant, and from want of skill in the manipulation; all of these causes.

The Rev. *George Smith*, M.A., called in; and Examined.

Rev. *G. Smith.*

2762. *Chairman.*] YOU have been lately as a Missionary, on the part of the Church Missionary Society, in China?—Yes.

2763. Have

2763. Have you had any opportunity of observing the commercial state of China, in the course of your other inquiries?—Very limited opportunities, except by intercourse with the natives in the different free ports of China.

2764. Can you speak as to the habits of consumption of the poorest classes in China?—I could speak of their wants more than of their consumption. Their extreme poverty, and want of money, is the great difficulty that I have observed in the four northern ports, especially the more retired ports. They wish to have British manufactures, especially clothing, but their pecuniary means are so limited, that they cannot obtain them.

2765. Did you find the consumption of tea very great, even amongst the poorest classes, or was it a kind of luxury?—Not a luxury; it was in general use in the poorest families.

2766. Mr. *Ewart.*] A very inferior tea?—Very inferior tea.

2767. *Chairman.*] You have partaken of tea of all qualities?—Yes; amongst the lower class, it is a very bad kind of tea; but I have also tasted very good tea; especially in Buddhist Monasteries, and such places, they generally have very rich tea for strangers. I am speaking now of the neighbourhood of Ningpo; the poorer classes have tea; it is the first article they offer to a stranger, on entering a house.

2768. Do you imagine that the consumption of tea is very great?—Very great; in fact they generally have tea made the whole day; there is some ready at almost every house the whole day, for any visitor who enters; in half a minute tea is brought.

2769. And you found that in country districts, as well as in towns?—Yes.

2770. Mr. *Hawes.*] Hot or cold?—Hot; of course not always quite hot.

2771. Do they keep up a fire constantly?—They make it and keep it near the fire, I presume, or keep it made, and pour some hot water to it.

2772. Do the poorer classes then keep up a constant fire in their dwellings?—I hardly know; it struck me as remarkable the great rapidity with which they got tea at very little notice; it was brought immediately, as a matter of ordinary politeness.

2773. Mr. *Ewart.*] Do not they make it simply by putting the leaves in a cup, and then making an infusion with it?—Yes; but I have seen the lower classes with teapots like ourselves.

2774. Mr. *Hawes.*] What fuel do they use?—Charcoal, generally; sometimes they use wood. In the Fokien province they use wood as well as charcoal.

2775. Sir *G. Staunton.*] With the Chinese may not tea be considered as a sort of substitute for spirituous liquors?—No; I think it is considered a necessary of life with them.

2776. Do the lower classes consume any kind of spirituous liquor?—Yes; they have a liquor distilled from rice.

2777. Are they not a sober people?—Intoxication is not a vice to which they are much given.

2778. Is tea taken as a meal by the Chinese?—It is taken several times a day, sometimes with their meals.

2779. Did you reside for some time in the interior at the several ports you visited?—I never was more than six days in the interior; once I was six days 20 miles up the country.

2780. That gave you more than usual opportunities of intercourse with the people?—With the villagers.

2781. Whereabouts was that?—At Ningpo.

2782. How did you find the population generally disposed towards foreign intercourse and commerce?—In that district they were very friendly; I received for some days gratuitous lodging in their temples, and I was unaccompanied by any European; in some of the villages I was the first European they had ever seen; they received me with kindness and politeness, and showed little acts of hospitality.

2783. They had no repugnance whatever to British intercourse?—None whatever.

2784. When you were at Canton did you find a very different conduct on the part of the population there?—There was a very different spirit prevailing among the people at Canton.

Rev. *G. Smith.*

11 May 1847.

2785. What was the disposition of the people at Canton?—Very hostile to foreigners, very turbulent.

2786–7. Do you ascribe that to any particular cause?—To a difference of character, and the state of feeling which has been existing there for a couple of centuries; also to the fact that the government have very little power over the people at Canton.

2788. *Chairman.*] You attribute the difficulties which foreigners meet with in their intercourse with the people at Canton more to the feelings of the people and the weakness of the government than to any indisposition on the part of the government to protect the British?—More to the turbulence of the people than to the indisposition of the government.

2789. Sir *G. Staunton.*] Would you say that the government were unwilling or careless to give protection, or that they were unable to do it?—I should say unable at Canton; at the other ports they show a great willingness to protect foreigners.

2790. As far as your observation extended, do you think that the British authorities at Canton have observed a good course of policy for the protection of British subjects, or do you think that any changes in that respect would be desirable?—I have not had any opportunities of observing that fact. I never saw anything to induce me to think that there was anything censurable in the conduct of the British authorities there.

2791. Is it your opinion that the peculiar character and condition of the Chinese people at Canton prescribes a great degree of forbearance and circumspection on the part of foreigners, to endeavour to avoid giving offence?—Undoubtedly; not however that that forbearance on the part of foreigners will always be successful. I believe that the turbulence of the people is so great that it will not always be successful. I had a friend, an American, who speaks the language, and is a very quietly disposed man. He was a missionary, and he was lately going out on the opposite side of the river; and though he was known as a very peaceable man amongst them, they rolled off stones from a bridge into his boat, which were large enough to have killed him, though he never gave any provocation. I mention that to show that no forbearance on the part of foreigners will at all times be successful.

2792. Do they practically make any difference between the English and other foreigners, as far as you are acquainted, at Canton?—I think that the American subjects appear to be more in favour with the authorities.

2793. Mr. *Ewart.*] Do they draw any distinction between Americans and English?—It was an impression I had on my mind that they were more afraid of the British people.

2794. *Chairman.*] Do they distinguish between the one and the other?—Yes, they do; it is the first question that they ask, whether he is a Hungmoyen or a Fakeyen man. H. is a red-haired man, that is, an Englishman; and the other is a flowery flag man, that is, an American; but in other parts, I have no doubt that the Americans are more popular, and that they are also under fewer restrictions, and can more easily obtain favours from the government.

2795. Mr. *Ewart.*] To what do you attribute that?—I think to the presence of the British consuls. Where there is any special ground of complaint against the English, a British consul upon the spot is ready to receive this complaint and to remedy it; but the Americans generally have no consuls there, and therefore if any matter of complaint arises against the Americans, the native authorities prefer conniving at it, and passing it over, to incurring the trouble and expense of referring to the American consul at a distance; on the subject of boundaries this is seen. In fact, the Americans have much greater privileges than British subjects have. I resided in Amoy with some American missionaries, and, from being a British subject, I could not go so far as American subjects were permitted to do.

2796. *Chairman.*] Was that by stipulation, or by connivance?—By connivance; I think the restriction of British subjects arose from want of firmness on the part of the local acting consul. When the native authorities made any complaint of the most frivolous kind, on the subject of boundaries, to the British consul, when the letter more than the spirit of the treaty was transgressed, it was listened to; whereas the Chinese authorities connived at the Americans going beyond the boundaries.

2797. In

Rev. *G. Smith.*

11 May 1847.

2797. In fact, the presence of an English authority is rather inconvenient sometimes to the English residents, as offering a very ready means of enforcing any complaints made against them?—Yes; we have no right to complain of it, as they have the letter of the treaty against us; but I may mention an instance: I knew a British merchant at Amoy, who, when Koolang-soo was given up by treaty, continued to keep a pony in Koolang-soo. The Chinese authorities complained of it, and the British merchant had to remove his pony from the island; it was about half a mile from Amoy; but the American missionary, with whom I was residing, kept his pony there some time afterwards, and no complaint was made; and finally he withdrew it, without any formal complaint being made; so that they will tolerate in an American what they will not in a British subject, because they can easily get a special grievance redressed. I may mention an instance in a case of boundaries at Amoy. Some little time before I was there, some of my American friends had visited a city called Tchang Tcho, about 40 miles distant, and it took them a number of days' absence.

2798. Sir *G. Staunton.*] Those were, in fact, violations of the treaty, but were obtained by connivance of the authorities?—Yes. On another occasion an American, in whose house I was residing, went through the villages in the island of Amoy, and it took him about a week, and he slept in the different villages at night, which is contrary to the treaty, which says a day's journey. And the Chinese authorities connived in those two cases. But some naval officers from aboard a ship left the harbour in a boat, and rowed up the river towards Tchang Tchou, and returned by half-past eight the next morning, having been 24 ½ hours away. The next day the Chinese authorities made it a subject of very serious remonstrance to the British consul; it was referred to Hong Kong, and the letters of the British consul were very severe upon that occasion.

2799. Viscount *Jocelyn.*] Supposing the two cases had been alike in other respects, might there not easily have been a greater jealousy of the naval officers than of the missionaries?—No; because the French ambassador, when he was there, did not ask permission, but he said to the authorities, "I am going to Tchang Tchou," and he proceeded. They tolerate also a Roman-catholic missionary: there is a village, about 40 miles from Amoy, where a Roman-catholic missionary is living, but with Chinese costume; but the fact must be known to the native authorities, because a person with whom I am acquainted visited this village: he had a native guide given him by the native authorities from Amoy, and when he was near this village the guide said, "Would you like to come and see this foreign teacher?" and he went and showed him the village, chiefly of Roman-catholic inhabitants, but no complaint was made. When the French ambassador went up without asking permission, he merely mentioned his intention, and they sent a private message to the American missionaries, to ask them what could be the secret motive of the French ambassador; the missionaries replied that it was nothing but curiosity, and the matter rested there. But if any British subject were to go beyond the letter of the treaty, there would be an immediate remonstrance.

2800. *Chairman.*] In fact, the Chinese authorities are very unwilling to quarrel with foreigners if they can avoid it; but when they have a regular authority to appeal to, they are happy to make use of it?—Where they have firm and competent officers to deal with, I think their complaints will soon cease. They know their men generally.

2801. Mr. *Ewart.*] Do the English officers follow the strict words of the treaty?—The interpretation of the boundary regulation is a disputed point; it is a day's journey; in the case I mentioned, it was from eight in the morning till half-past eight the next day. But the Chinese interpretation is, that if any person leaves at any time in the day, he must be back before sunset. The American missionaries sometimes get permission to go out for two or three days; but I was told by the acting British consul at Amoy, that even if the local authorities gave me permission, he should insist upon my not availing myself of it, and that he would fine me 200 dollars if I did proceed. I was living with some American missionaries, who introduced me to the highest municipal authority there, and he told me that any favour I wanted I might have, and I could have got easily to Tchang Tchou.

2802. Viscount *Jocelyn.*] Have not the Roman-catholic missionaries greater

Rev. G. Smith.

11 May 1847.

liberty, as Roman-catholic missionaries, than the Protestant?—They have virtually, I think.

2803. They have been a long time at Macao?—I think the missionary establishment is principally removed to Hong Kong.

2804. They send out from that mission annually a number of missionaries?—Yes.

2805. And have been doing so for years?—Yes, but they go in disguise.

2806. In fact, the Roman-catholic missionaries have a footing there, which the Protestant missionaries have not?—Virtually, perhaps, they have. They are prevented by the treaty as much as Protestant missionaries are, but sometimes having found their way to the spot, and having gathered a little native church round them, the local authorities in the place prefer being quiet to acknowledging that those missionaries have eluded their vigilance, and choose the lesser evil, because they would be perhaps punished by their superior officers for having originally permitted them to come there. So that whenever Roman-catholics obtain a footing in the country, and get a number of native Christians round them, they are not much exposed to difficulties afterwards.

2807. Sir *G. Staunton.*] Are there not Roman-catholic villages?—Yes; there is a village near Amoy of 800 to 1,000 inhabitants, in which there are 500 Roman-catholics.

2808. Dr. *Bowring.*] Are you acquainted with Father Philippo, who represented the Propaganda, and lived a long time in China?—No. I never met more than about four or five priests in China.

2809. Mr. *Matheson.*] They do not like meeting with Protestants?—No; they are more in the interior.

2810. Mr. *Hawes.*] Would not part of this difference of treatment of which you speak, as between the English on the one hand, and the Americans and the French on the other, arise out of the events of the war, and the prominent part which the English took in the war?—I think the effect of that would be quite opposite. I think the general character of the native authorities at the four northern ports is, that they would do anything rather than run the risk of any collision with Britain; that there is nothing within certain boundaries which the British authorities might not extort from the natives, except entrance into the country. They are so afraid of the power of the British, that I think a firm representative of the British Crown might carry things generally as he wished.

2811. Mr. *Ewart.*] Would not the English representative be equally bound by the letter of the treaty?—Yes, undoubtedly; but the arrangement of the boundaries was left to local negotiations. At Ningpo the authorities for some time wished to confine foreigners to a district in the city of not more than two miles; the limits were to the bridge of boats on the one side, and on the other to the city wall, at the other end of the city, which comprised an extent of not more than two miles. They remonstrated with the British consul; they said that the foreigners came there only for commerce, and what did they want? that that was sufficient for commercial purposes. But the British consul was firm, and the boundaries there are better, perhaps, than in any other city in China.

2812. Mr. *Hawes.*] Do you think that there is no feeling of mortification on the part of the Chinese at the defeats which they sustained?—I think there is; but I do not think that they show any vindictive feeling on that account, but rather a feeling of fear; I do not think they would thwart the British on that account.

2813. But they might be unwilling to give them any additional facilities, and be jealous, rather, of their presence?—The native authorities appear to me to be very much afraid of the British Government acting in China as they did in India. When brought into company with the native authorities, on showing them a map of the world, in the Chinese character, the first question put to us generally is, "Where is India?" And on other occasions they showed that that is their principal fear; that we only wish for outports for the purpose, at a future time, of taking part of the country from them.

2814. There is an apprehension of the British power?—There is certainly a great apprehension of the British power.

2815. Sir *G. Staunton.*] Does not that apprehension discourage the enlargement

ment of our privileges?—I do not think it would in regard to local privileges, but it would any extension of intercourse with the interior.

2816. For instance, if the British Government wished to procure some amendment of the treaty, some improvement of our position in China, do you think they could obtain it?—It would depend upon what the nature of the amendment was. I have no doubt that they would make great sacrifices rather than incur the risk of another collision.

2817. Dr. *Bowring.*] Did you speak the Chinese language?—I spoke a little of the Mandarin. I spoke Chinese with the natives, in the north of China. I spoke it with my servants. I have been as much as a week together without hearing English.

2818. Were you sufficiently acquainted with it to receive impressions from the Chinese as to the state of their feelings?—On common things; not sufficiently for moral subjects. I could hire a house, and buy provisions. In the northern ports my servants never spoke English to me.

2819. Is there an Episcopal church at Hong Kong?—There is only a temporary building.

2820. What Protestant churches are there at Hong Kong?—There is a temporary building, in connexion with the Church of England, at which the colonial chaplain and the military chaplain officiated; and a body of English Dissenters have also built a chapel there.

2821. Is there a Presbyterian church there?—That is what I alluded to. It is not exactly Presbyterian; it is a kind of union chapel. It is called the Union Chapel, at which any missionary who chooses may preach.

2822. Mr. *Ewart.*] Are the Chinese generally tolerant of all religions?—Yes, there is an Edict of Toleration.

2823. You have been familiar with the poorer classes in China; what is their principal food besides tea?—Rice, and a little pork and fish. Rice may be said to be their principal food.

2824. Viscount *Sandon.*] Among the natives with whom you have had intercourse, is opium greatly consumed?—It is in the cities; I do not think it is much used in the villages.

2825. What proportion of the population do you suppose use opium?—I should say that at Amoy half the people use it.

2826. Mr. *Ewart.*] Is the consumption one rather of very great extent among the community, than of any great degree of intemperance among individuals?—I had not opportunities of visiting the rich men, and seeing them smoking it in their own houses; I had not an opportunity of seeing those consume it who had the means of unlimited indulgence; but amongst the poor, I have met with men who would spend three-fourths of their daily wages in opium. I should say that it is not extended over the lower class generally; their means are so limited, that they cannot afford to buy it.

2827. Where it is indulged in, does it exhaust their means and injure their health?—Certainly, it injures their health.

2828. Mr. *J. A. Smith.*] What are the daily wages there?—I do not know what the lowest amount of wages is; such men as those who make shoes earn 240 copper cash a day. I remember an instance of that kind; there are about 1,300 copper cash to a dollar; the wages vary, I should say, from as low as 120 or 130 cash; the lowest coolies would probably get that; perhaps some of the tradesmen would get double that.

2829. What proportion of those wages have you known used in opium?—I have known men who have got 230 or 240 cash a day, spend 190 or 200 of it in opium; but that depends upon the price of opium. It was then about 19 cash for every fun, or what is called in English a candareen. I knew some who bought every day to the amount of 200 cash.

2830. It is a taste very generally diffused among the lower orders?—In the towns.

2831. And among the higher also?—Yes, I should say it is.

2832. Do you mean to say that the general use of opium is so extensive as to interfere with health, or do you mean that there are, as in the case of dram-drinking, here and there occasional instances?—The general effect of habitual indulgence is slowly to wear away the health; they begin, the habit becomes formed, and they are unable, they say, to leave it off. I had frequent applications from persons that were desirous of leaving it off, for medicine to help them.

Rev. G. Smith.

11 May 1847.

them. They have an idea that foreigners can give them medicine to help them to leave it off.

2833. Do you believe it to be a practicable thing to diminish largely the use of opium?—I think that those who indulge in opium, if they have money to spare, will get it, if it is brought near them.

2834. You think that it would be a hopeless task on the part of the government to attempt to stop the consumption of opium?—I met a man at Amoy that kept an opium shop, who told me that he had given over smoking opium for three years, and that what led him to give over the indulgence was the severity of the edicts of the government in the time of Commissioner Linn; and it appears that in Amoy it was very generally stopped at that time; that Commissioner Linn's prohibitions were felt extensively.

2835. But generally speaking that was not the case, was it?—I do not know.

2836. At this moment, do you believe it to be a possible thing to accomplish?—I do not think that the Chinese government could keep out foreign importers of opium; with the determined conduct of the native dealers, and their being able to get it so easily just beyond the bounds of the port. I do not think that so long as foreign opium vessels are allowed to be stationed so near, they can keep it out.

2837. You mean that they could not stop the contraband trade?—Yes.

2838. *Chairman.*] Do the opium ships come armed?—Yes, I imagine they do. Every foreign vessel in China is armed. Any foreign vessel in China could keep off a little fleet of junks. I believe the foreign vessels are well armed in general. The native boats also that bring it in are very strongly armed. I have seen native boats bringing in opium at Amoy, coming from a place called Six Islands, where the foreign opium vessels are stationed, just beyond the boundaries of the port. They come in with their sails set, strongly armed, and they are all rowing, standing up plying with the oar; and they have generally some European merchant flag flying aloft; but they are so armed as to prevent any hope of a successful capture, either by pirates or by the native government.

2839. Have you ever heard of any attempt on the part of the native government to interfere with the opium vessels?—No interference with the foreign opium vessels which could be traced to the government. I have heard of attacks of a piratical kind, but not on the part of the government.

2840. Mr. *J. A. Smith.*] You conceive that their main object in arming, is to protect themselves against pirates?—I do not know what their object is; I do not think the foreign opium vessels have much fear of the native authorities interfering, because the latter are promoted to the government of some district, and after, perhaps, two or three years, they are probably transferred to some other post; and they are so afraid of any collision, that they would rather keep the matter quiet. And besides, in addition to that, they get bribes from the native brokers. So that the fear of collision with foreigners, combined with corruption, lead them to connive at it.

2841. Mr. *Ewart.*] The Chinese coasting junks are not allowed to carry arms, are they?—Yes, they can carry a few gingals; I remember one case, in going from Canton to Macao, I saw on board a fast boat, men with those gingals. There were three or four gingals on board.

2842. *Chairman.*] Did you ever hear any remarks among the natives, as to the increase of the opium trade?—I have. At Ningpo, the native scholars employed as our teachers said that Ningpo is a very different city from what it was 30 years ago. Formerly, there were a great number of wealthy people there, but that now there is scarcely any money there, and they are rapidly decaying. They attribute it to so much money leaving the city in payment of opium. They ascribe the rapid decay of that city to the drain of sycee bullion paid for opium. It is a great complaint in those cities, that they are becoming very poor; that there is such a scarcity of silver.

2843. Mr. *Hawes.*] Were you ever at Foo-Chow-Foo?—Yes.

2844. In what state is that city, as to its population or its prosperity?—It is decidedly the most populous city, and the most important, as regards the class of natives there, of any of the four northern ports. It is not a place of very great trade, I should think, considering that it is the capital of a province; certainly, the number of junks there is not half what it is at Amoy.

2845. Can you state at all the population?—I should think it is about 600,000; that is to say, if the estimate of the other ports is correct. The circuit of the walls is about eight miles and a half, and nearly the whole space enclosed is filled up pretty well with buildings, more than in most Chinese cities. I should say that the size must be twice the size of Ningpó, three times the size of Shang-hai, and four or five times as large as Amoy.

2846. Sir *G. Staunton.*] Has it a considerable trade with Japan?—I think not; I do not think there is any ground for that statement.

2847. Is not there Japan money there?—Yes; the tribute-bearing junks from Loo-Choo come to Foo-Chow-Foo, and bring Japanese ingots of gold as part of their tribute. A port between Ningpo and Shang-hai, named Chapoo, is the only port that the Japanese come to.

2848. You said that you think that the Chinese government is not competent to put down the opium trade; but supposing that the British Government should also be desirous of putting down the opium trade, do you think that the combined efforts of the British Government and of the Chinese government would be competent to do it?—I think they would, in the three northern ports; but I do not know that they would at Amoy or at Canton, because the government are not very strong there. In the country generally there is no doubt that they could do it, though of course the love of gain would make the natives willing to encounter the risk.

2849. Would not the Chinese obtain opium from the interior of the country?—It was cultivated formerly in six of the interior provinces, and they have always had it in their power to exclude foreign opium by the simple process of encouraging the growth of the poppy in their own dominions; but they have not done so. I may perhaps mention some information which I had in a letter from China. I had a letter from an American missionary last week, dated Ningpo, in the beginning of the present year, in which he mentions that it was very current amongst the Chinese in that city (and I may mention in passing, that before Americans they will speak more plainly than before British subjects) that the imperial government are now about to permit the growth of the poppy in China itself, instead of interdicting it, in order that, by those means, they may retain the sycee in the country; and also, that it was reported amongst the Chinese at Ningpo, that there was an edict just issued, or on the point of being issued, that on account of the scarcity of silver, men would be prevented from wearing silver ornaments, and that women, after the lapse of five years, would be prevented wearing silver ornaments: I only mention this as a report.

2850. Viscount *Jocelyn.*] In answer to a question from Sir George Staunton, you said, that you believed that if the British Government co-operated with the Chinese government they could put down the importation of opium; how would they prevent the Americans and other nations importing opium?—I think the Government could not put it down now, as long as foreign vessels can come so near their cities, that the natives can go out to them.

2851. Do not you think that the effect would be merely that the opium trade would be transferrred to other hands?—I do not know what the effect would be.

2852. You said that you thought that together the two governments could put a check to the trade?—I was looking at the British Government; I was not contemplating that the Americans would take it up, but I think the American merchants out there would take it up; in fact I believe it is not entirely confined now to the British, but I think it is impossible for the Chinese government alone to put it down.

2853. Unless the whole world joined?—Unless the whole world joined.

2854. Sir *G. Staunton.*] Do you think, from the letter to which you have referred, that it is likely that the opium trade will be legalized in China?—I understand so; that it will be raised in China itself.

2855. And therefore that the present prohibitory laws will be repealed?—That the present prohibitory laws will be repealed. I do not know whether the prohibitory laws against importation will be repealed, but there would be no temptation for smugglers to bring it into the country if it were grown in the country; I believe it is their financial difficulties which are causing them to look to their own country for legal opium; they find that they cannot stop it, and they wish to diminish the export of bullion.

Rev. *G. Smith.*

11 May 1847.

2856. Viscount *Jocelyn.*] Do not you think that at present nearly every spot of land on the coast is under cultivation where the poppy could be grown?—I do not know; I remember seeing a translation of a native document which mentioned that in six provinces opium had formerly been raised.

2857. Do not you suppose that other cultivation has taken the place of opium there?—No doubt, rice and other things.

2858. Of course what those lands produce now would have to be given up if opium were grown there?—Yes.

2859. Sir *G. Staunton.*] You were for some time at Hong Kong?—Yes.

2860. What is your opinion of it with respect to its salubrity and eligibility as a British settlement?—When I went there first I was like many other persons, very much frightened at the mortality there; but I must say that my apprehensions have been considerably modified. I think that there are sufficient physical causes to account for its being an unhealthy climate. The last winter that I spent there, I did not feel it to be insalubrious any more than the other ports. I should say that Amoy appears quite as insalubrious as Hong Kong. The climate of Hong Kong is undoubtedly inferior to that of the other ports. The mortality may recur again; but the last two seasons were much more favourable than the previous season.

2861. When you left Hong Kong last year, do you happen to know whether it was in a declining, or in a mending state?—As far as buildings were concerned I had opportunities of judging. When I was last at Hong Kong, I had been absent nine months in the northern ports, and I saw a good many new buildings and streets, but there did not appear to be any increase in the native population of Hong Kong.

2862. But no decline?—There appears to have been hardly any opportunity of its declining. There was no native trade there, as far as I could see.

2863. Not at any time?—No.

2864. The buildings had increased?—I think the buildings had increased.

2865. Are you aware that there is an opium farm at Hong Kong?—Yes.

2866. Do you think that objectionable?—Highly objectionable. I do not say that on moral grounds only, but I think it opens such a door for all the abuses of Chinese government on British soil. I believe that the opium farmer uses his power to practise most oppressive exaction on the native population, and that it is a serious check on the immigration of Chinese merchants.

2867. In the event of the opium farm being put an end to, would you substitute any other regulation, or would you leave it entirely free?—I should say that it should be left free. I do not see how the Government can prohibit it, any more than many things in this country which they fail to prohibit; it is, perhaps, beyond the province of the Government.

2868. The present mode you think is decidedly objectionable?—Yes; that is to say, any connexion with opium as a means of revenue; but it is especially objectionable also as hindering the influx of native settlers, because the opium farmer has so many means of extorting from them, by visiting native houses, and native boats, and seizing opium on frivolous pretences.

2869. Mr. *J. A. Smith.*] Have you ever heard of any robberies committed by the boats kept by the opium farmer under the pretence of guarding his monopoly?—I have only heard that as a subject of rumour; I am not able to corroborate it.

2870. Dr. *Bowring.*] Have you made any comparisons between the rents paid when you were last at Hong Kong, and those which were paid at an earlier period?—No. The merchants were very much dissatisfied, but whether justly so or not, I cannot say.

2871. Amongst the new houses, did you see any occupied by opulent settlers?—No, the opium farmer and his partner are the only opulent persons they are wealthy now, but they got it at Hong Kong.

2872. Do you think that the opium farm has been one of the causes of the absence of opulent Chinese settlers in Hong Kong?—Not exclusively, because there were no opulent Chinese before the opium farm.

2873. Would not they have been brought there by the extended trade?—Very probably they would. The respectable Chinese at Canton, such as teachers and others, with whom I mostly had intercourse, have a great objection to Hong Kong; they are treated as an inferior people there.

2874. They

2874. They would object to that species of despotism which is exercised by the opium farmer?—Yes, and, generally speaking, by the police also.

2875. You heard complaints from the Chinese of the character of the British police at Hong Kong?—Yes; I have heard the Chinese speak indignantly of their treatment at Hong Kong; by the lower subordinates of the police especially.

2876. Mr. *J. A. Smith.*] Do you believe with justice?—I believe that there have been cases in which complaints have been made with justice; I can trust the natives who made the complaints; they were very tractable and well-disposed persons. One man especially, a Chinese Christian, who is well known by name in this country, named Leang Afa, spoke with great indignation of the treatment to which he was exposed at Hong Kong; he did not apply it to the police altogether. He was nearly run over by a horse wantonly; the police would inflict a blow on a Chinese with very little reason. I believe that that also existed very extensively at Chusan; and on that account there is not the regret at the cessation of British rule there which there would otherwise have been.

2877. Are the subordinate officers of police Europeans or natives?—They are Europeans; but formerly there were some natives also, some Chinese police, and there are some Lascar police now; but the Chinese police have been abolished.

2878. Dr. *Bowring.*] What is the opinion of the British residents at Hong Kong as to the police?—I have heard complaints from them, but I have no means of testing their correctness.

2879. Would not the fact of the Chinese at Hong Kong being subject to corporal punishment, and to losing their tails, keep away Chinese of respectability?—Undoubtedly; I believe that till a more liberal policy can be substituted, you can never hope for an immigration of respectable natives.

2880. Mr. *J. A. Smith.*] Have you ever looked over the accounts of the revenue of Hong Kong; there is a sum there of about 1,500*l.* for police fines; is not that a very large sum to be collected from such a population as that?—For the native population, certainly a very large sum.

2881. Who else is fined except the native population?—I presume others are fined also.

2882. Sir *G. Staunton.*] Is not the general population of Hong Kong much lower in character than the population upon the coast?—Yes.

2883. Very lawless and insubordinate?—They are the refuse of the population.

2884. And therefore they must require a very strict police?—Yes. When I mention these facts, I do not pronounce any opinion as to whether the present police regulations are necessary or not.

2885. There is a registration imposed; do you consider that objectionable, and is it complained of?—I do not know whether such a plan is necessary; it certainly makes a bad impression upon the respectable natives. They are afraid of getting themselves into trouble under those regulations.

2886. Dr. *Bowring.*] You attribute the fact of the native population at Hong Kong being the refuse of the Chinese population, to the police regulations, and to the opium farm?—Not to them alone. There is nothing to induce the wealthy Chinese to come there. And in the Supplementary Treaty there are some clauses to prevent Chinese junks coming in without being under the surveillance of their own government. It is, after all, a petty trade that is carried on by the natives at Hong Kong, and you will not induce wealthy and respectable Chinese to incur the odium of coming to the colony under those circumstances.

2887. Mr. *J. A. Smith.*] Were you at Hong Kong when an Ordinance was published denouncing the members of secret societies, and affixing the punishment of branding on the face if they were discovered?—Yes.

2888. Did that excite any strong feeling among the Chinese?—I never heard any Chinese pronounce any opinion about it.

2889. Mr. *Moffatt.*] Do you know of the existence of members of the Triad Society at Hong Kong?—The Chinese will not confess themselves to belong to that or any secret society; but I think there is very little doubt that

Rev. *G. Smith.*

11 May 1847.

those secret societies prevail extensively throughout that part of the empire; in fact, over the south of China there are combinations frequently of patriotic individuals to resist the mal-administration of bad rulers; but in Hong Kong, and that neighbourhood, they are merely banded societies of thieves. The original object of the institution of such societies, which was probably the expulsion of the present dynasty, has been lost sight of.

2890. They were originally political societies?—It is supposed so.

2891. Dr. *Bowring.*] Have you any reason to believe that there are any associations for felonious or immoral purposes, similar to the Thug Society in India?—I have seen translations in the native gazettes in Canton, in which they speak of the rulers of the different cities having great trouble with the rebels, and they mention secret societies. I remember mention being made of the Sleeping Dragon Society, and that the leader of that society headed the rebels. Secret societies afford an opportunity at Hong Kong for persons escaping the law.

2892. Are there not societies among the Chinese like the Carbonari?—There were originally, but I do not think there are at Hong Kong, because I do not think the people there trouble themselves with politics.

2893. Mr. *Ewart.*] Have the missionaries met with much success in China?—In the northern ports they are hardly masters of the language yet; but I should say that in the great moral influence which they are acquiring, they have already produced some effect. There are not many converts at the present time; there are many willing to profess themselves such, but the missionaries will not admit them. At Amoy I had constant access to the highest members of the local government, without any introduction being necessary, except the fact of belonging to the missionary body; and before I left, the local authorities gave us a joint entertainment officially as a missionary body, which is a very unusual thing. It had never been known for officers of that rank to invite any persons but those connected with the British consulate. I mention this to show the moral effect which has been produced.

2894. By the missionary body you mean the Protestant missionaries?—The Protestant missionaries.

2895. Not Roman-catholic missionaries?—They are more in the interior.

2896. Have they not met with some success?—In former times.

2897. Mr. *Moffatt.*] Have any of the missionaries been to others than the five ports now open?—Not to reside.

2898. Have you been into the interior?—I have never been beyond the boundaries. I know a British missionary who went 300 miles into the interior, and another who went overland to Canton.

2899. Dr. *Bowring.*] Is not there a Propaganda College at Pekin?—I am not aware that there is.

2900. Sir *G. Staunton.*] You have given in a work you have lately published, a list of the Protestant missionaries in China, amounting to 45?—Forty-five, who were in China when I left, or had been there; the majority Americans.

2901. And an American Bishop?—Yes.

2902. Upon the whole, the missionaries meet with no obstructions from the government?—Not the slightest.

2903. And no obstruction from the priests of the prevailing superstition in China?—Not the slightest.

2904. On the contrary, you state that you have been lodged in the temples?—Yes; there appears to be not the slightest jealousy on the part of the government, or of the priests.

2905. Mr. *Matheson.*] Is there any jealousy on the part of the Roman-catholic missionaries?—They are more in the interior; there was one at Chusan when I was there; I think they are jealous of the Protestant missionaries.

2906. Sir *G. Staunton.*] Were you in Macao?—A short time.

2907. Did you experience any jealousy from the Macao local government?—No; I was principally confined to the house during the time I was there.

2908. Do you think that the increased intercourse with foreigners, since the peace, has made any perceptible alteration in the habits and usages of the people, or led to the adoption of any modern refinements?—Not to any great extent;

Rev. *G. Smith.*

11 May 1847.

extent; I have known cases in which missionaries have been requested by the local officers to purchase barometers and thermometers for them. They are very anxious to get those; and I find presents of foreign maps very acceptable to the people.

2909. *Chairman.*] Was there any desire on their part to put their young men under the education of European teachers?—Not with the higher classes, because Europeans cannot educate them in their own native literature. They can get education so cheap in China, that they can get much greater advantages by their own native teachers. The higher classes of Chinese do not generally show any disposition to learn the English language.

2910. Mr. *Ewart.*] Has not medical advice been found a very effective means of opening a communication with the Chinese?—Yes; the higher classes have not availed themselves of it generally; it has been generally the poorer classes. In medicine, they like their own practitioners; for surgery, the higher officers will come to foreign physicians, but not for mere medicine.

2911. Dr. *Bowring.*] Have you seen anything of native manufactures which come in competition with British?—Not the process of manufacture.

2912. Mr. *Ewart.*] You have seen manufactured articles?—I have seen cloths of various kinds that were brought down the country to Ningpo; some even from Russia.

2913. Have you had an opportunity of comparing the mechanical arts in China with those of England?—Yes; I saw the silks. Whatever they do, they mostly do by hand. They have not machinery to any extent; they make carpets by hand.

2914. Have you seen a Chinese loom?—I have seen a Chinese loom, but it appeared a very simple thing; not so complex as the English; but I cannot say that I observed the details of the manufacture.

2915. Have you seen any metallic processes in China?—No, I do not think I have.

*Henry Winch,* Esq., called in; and Examined.

*H. Winch,* Esq.

2916. *Chairman.*] WHAT is your connexion with the tea trade?—I have been connected both with the importation of tea, and with the supply of it to dealers throughout the country for a number of years; upwards of 20 years.

2917. You wish to speak to the present state of the tea trade?—Yes. I believe the Committee have had a great deal of evidence on the unsatisfactory state of the trade, as far as regards the imports from China; but there is one view of the subject which I think has not yet been illustrated, and that is the operation of the present duty upon tea, on the returns made by natives of China, that is, by shipments made by themselves. I have in my hand a statement sent by a house largely connected with the trade of China, showing the result of various shipments of tea from China on native accounts. The first of these operations took place in the month of May 1844, and I should observe, that all the shipments to which I am about to refer, were advanced upon by the house in China, upon a valuation fixed upon by their own inspector, or taster. The first of those shipments was valued at 38,813 dollars. The amount advanced upon it was 6,260 *l.*, being two-thirds of the valuation. The net proceeds of the shipment in that case were 8,129 *l.*, leaving the exchange 4 *s.* 2½ *d.* per dollar upon the two-thirds advanced. I will hand in the paper, and I will merely state the results. The various shipments, up to the present time, have produced results varying from 6 *s.* 5 ¼ *d.* a dollar, in the earliest period, to 1 *s.* 9 *d.* a dollar on the later shipments; that is, 1 *s.* 9 *d.* upon two-thirds of the valuation advanced in China, not upon the invoice cost. The whole of these transactions comprise a very large amount, and with the permission of the Committee I will put in the paper.

[*The same was delivered in, and is as follows:*]

RESULTS of TEAS on NATIVE ACCOUNT.

| Ship's Name. | Arrived. | Number of Packages. | Total Invoice Amount. | Amount of Advance. | Net Proceeds. | Due. | Exchange. |
|---|---|---|---|---|---|---|---|
| | | | Val. by Factor. *Dollars.* *c.* | | £. *s.* *d.* | | *s.* *d.* |
| 11/44 Ingleboro' | May 1844 | 1,358 chests | 38,813 85 | 6,260 *l.* 6 *s.* 10 *d.* | 8,129 15 3 | 31 December 1844 | 4 2 ½ per doll. |
| 12/129 Charles Jones | Oct. 1845 | 1,442 „ | 27,767 71 | 4,789 *l.* 7 *s.* | 7,500 2 9 | 16 January 1845 | 5 5 „ |
| 12/132 Swithamley | Sept. „ | 205 „ | 719 24 | *dols.* 716 84 *c.* or 158 *l.* 6 *s.* | 215 2 1 | 29 December „ | 5 11 ¾ „ |
| 12/137 Eliza | Sept. „ | 20 „ | 311 66 | - - - - | 47 3 10 | 19 January 1846 | 3 — „ |
| 12/149 Thos. Worthington | Oct. „ | 400 „ | 3,845 38 | 870 *l.* | 1,246 3 5 | 14 February „ | 6 5 ¼ „ |
| 12/150 Ditto | Oct. „ | 1,192 „ | 19,958 76 | 4,500 *l.* | 4,044 7 4 | 8 March „ | 4 — ¾ „ |
| 13/22 Tyrer | June 1846 | 597 „ | 12,263 11 | *dols.* 8,185 46 *c.* or 1,810 *l.* | 2,452 19 10 | 7 December „ | 4 — „ |
| 13/23 Ditto | June „ | 675 „ | 23,805 55 | *dols.* 17,869 83 *c.* or 3,900 *l.* | 4,141 13 5 | 4 December „ | 3 5 ¾ „ |
| 13/23 Ditto | June „ | 630 „ | 22,575 0 | *dols.* 16,946 01 *c.* or 3,780 *l.* | 3,638 4 5 | 6 November „ | 3 2 ¾ „ |
| 13/24 Ditto | June „ | 594 „ | 11,803 74 | *dols.* 7,879 03 *c.* or 1,740 *l.* | 1,878 5 3 | 4 February 1847 | 3 2 ¼ „ |
| 13/68 Wm. Jardine | July „ | 223 „ | 6,574 84 | 900 *l.* | 908 15 4 | 21 December 1846 | 2 9 ¼ „ |
| 13/68 Ditto | July „ | 52 „ | 1,760 0 | 16 ½ ch. 42 taels<br>38 „ 43 „<br>ad. 263 *l.* | Brokers' val. 1/9<br>„ 2/1 | About 3/3 per doll.<br>„ 3/9 „ | —<br>— |
| 13/82 Euphrates | Sept. „ | 460 „ | 8,871 31 | 1,330 *l.* 13 *s.* 11 *d.* | 775 8 1 | 6 February 1847 | 1 9 „ |
| 13/83 Ditto | Sept. „ | 221 „ | 6,785 58 | 68 ch. 51 taels<br>16 ½ „ 43 ½ „<br>18 ½ „ 48 „<br>19 ½ „ 43 ½ „<br>29 ½ „ 48 „<br>29 ½ „ 45 „<br>42 ½ „ 49 ½ „<br>ad. 1,024 *l.* 8 *s.* | Brokers' val. 1/9 a' 1/10<br>„ 1/6<br>„ 2/<br>„ 1/7<br>„ 1/10 a' 2/<br>„ 1/5<br>„ 1/5 | About 3/ per doll.<br>„ 3/1 „<br>„ 3/3 „<br>„ 3/1 „<br>„ 3/3 „<br>„ 2/11 „<br>„ 2/1 „ | —<br>—<br>—<br>—<br>—<br>—<br>— |
| 13/87 Lancaster | June „ | 595 „ | 11,352 82 | *dols.* 7,578 28 *c.* or 1,718 *l.* 14 *s.* | 1,596 2 7 | 25 December 1846 | 2 9 ¼ „ |
| 13/90 Monarch | Oct. „ | 312 „ | 11,417 88 | 63 ½ ch. 39 taels<br>84 ½ „ 42 „<br>165 ½ „ 45 „<br>ad. 1,665 *l.* | Brokers' val. 1/<br>„ 1/2<br>„ 1/1 a' 1/2 | About 2/ per doll.<br>„ 2/1 „<br>„ 2/ „ | —<br>—<br>— |
| 13/110 Alfred | Feb. „ | 91 „ | 2,639 81 | 384 *l.* 13 *s.* | 290 4 9 | 5 July 1847 | 2 2 ¼ „ |
| 13/110 Ditto | Feb. „ | 185 „ | 4,760 07 | 117 ½ ch. 39 taels<br>68 ½ „ 39 „<br>ad. 693 *l.* 11 *s.* | sold at 1 *s.*<br>sold at 11 *d.* | About 2/ per doll.<br>„ 2/ „ | —<br>— |

2918. Mr. *Moffatt.*] Does this return represent fairly the current transactions of the house who placed it in your hands?—I believe it represents the whole of their transactions on native account. Some of them show a very good result; 6 *s.* 5 *d.* would be equal to about 4 *s.* 4 *d.* or 4 *s.* 5 *d.* a dollar, or a fair exchange. There would be no profit; it would be just the exchange of the day.

2919. *Chairman.*] If it returns the invoice, it is with a profit?—The valuation there is not the invoice price, but it is a valuation put upon it by the house advancing money, in the same way that a man advancing money on mortgage will employ his surveyor to assess the value.

2920. Would 4 *s.* 6 *d.* represent a fair return?—4 *s.* 6 *d.* would be a very fair exchange.

2921. The consignee then would have made a fair mercantile profit?—He would have made a profit only as a commission.

2822. At what price per dollar would the Chinese consignee have made a fair profit upon the transaction?—It would be somewhat difficult to tell, because this assessment is not a cost-price valuation; it is an assessment put upon it by the house themselves, upon which they advance.

2923. Would that assessment be the probable value in the English market?—The probable value in China.

2924. That would have reference to what the prices would be in England?—Yes.

2925. Mr. *Moffatt.*] Does not the result of this return leave, upon the whole, a very serious loss?—Yes.

2926. A loss exceeding, on the average, 40 per cent.?—Exceeding that. My own experience in the importation of tea has shown me that up to a certain period the trade to China was a profitable one; but that it has ceased to be so upon the supply of tea being greater in this country than the consumption could take off.

2927. Dr. *Bowring.*] At what period did it cease to be profitable?—There has been a gradual decline from 1843. After the conclusion of the war, from 1843 downwards, in consequence of the increase of arrivals here, there has been a continual decline in the prices, and the course of the trade has become unsatisfactory. My own importations of tea have been based not upon manufactured goods, but upon cash transactions, remittances sent out from this country, and therefore they are perfectly irrespective of the operations of barter. At a very moderate estimate, I calculate that the losses upon the importation of tea, the last year, have not been less than 25 per cent. upon cash investments. That is the result of my own experience.

2928. *Chairman.*] To what do you attribute that result?—Entirely to the accumulated stock here, beyond the increased consumption.

2929. To what do you attribute the accumulated stock here?—No doubt from larger importations arising from the increased sale of manufactured goods in China, and various other causes.

2930. From the necessity of taking tea as the only return for ventures outwards?—Yes.

2931. That stimulates artificially the supply of tea to this country?—Yes. Latterly a great portion of the tea has been shipped on Chinese account, particularly this year. But it cannot find a profitable vend, and therefore the present state of things cannot continue; the present retrogression must go on increasing. Persons like myself will not continue sending their money to China and losing by it.

2932. The trade can only be rendered profitable again by a reduction of the exports of our manufactures?—Or by an increase in the consumption of tea in this country.

2933. But an increase in the consumption of tea in this country can only arise from a reduction in the price?—Not otherwise.

2934. Is there any room for a reduction in the cost price of the article?—I take it that there is not. The prices of tea now are exceedingly low in this country, and therefore there can be no decline in the price of tea in this country, except by a reduction of the duty, that can materially increase the consumption.

*H. Winch*, Esq.

11 May 1847.

2935. You apprehend that there is no room for reduction in the cost price in China?—Not for any material reduction, either in China or here.

2936. Any such reduction in the cost price of tea in China could be but small, and hardly sufficient to stimulate the consumption here?—Not sufficient to stimulate the consumption to any extent. If the whole value of the tea in China were remitted, it could not stimulate the consumption so much as it would be desirable to stimulate it. I have prepared a statement to show what is the sympathy of consumption with the prices, irrespectively of the duty.

2937. Will you state the results of that Table?—I have taken as the basis of this calculation the only description of tea which I felt could be safely taken; that is, the lowest average quality of Congou tea.

2938. Forming what proportion of the whole supply?—It affords a very good criterion of the prices of the whole.

2939. Mr. *Moffatt.*] It is, in point of fact, the Consols of the tea market?—Exactly so. For the higher qualities of tea there is a diversity of opinion as to the valuation, and it is difficult to arrive at any just estimate. I find that in 1801 the price of common Congou tea was 3*s.* 2¾*d.* a pound, the duty then being about 50 per cent.; the price to the consumer was 4*s.* 8¼*d.*, duty paid. The quantity then taken for consumption was 24,470,646 lbs. In 1811, the average price of common Congou tea in bond was 3*s.* -¼*d.*; but the duty having been raised to 96 per cent., it cost the consumer 5*s.* 11*d.* The consumption then, notwithstanding there had been an increase of population, in a period of 11 years, declined to 23,058,496 lbs; the price of tea in bond then being lower, but the duty being higher. In 1821, the price of common tea was 2*s.* 7*d.*, and the duty 2*s.* 7*d.* a pound, making 5*s.* 2*d.* a pound, duty paid. The consumption then was 27,638,081 lbs. In 1831, the duty remaining the same, the price of tea was 4*s.* 3*d.* duty paid, and 2*s.* 1½*d.* a pound in bond. The consumption then rose to 30,920,879 lbs.

2940. Dr. *Bowring.*] Are these figures made up from official documents?—Most of these returns are taken from dock returns, showing the actual amount delivered for consumption. In 1834, the price of tea declined to 3*s.* 11*d.* to the consumer, and the consumption had increased to 35,490,901 lbs. There is no very great variation in prices or consumption the next four or five years, till 1840, when the price of tea rose from 3*s.* 6½*d.* in the preceding year to 4*s.* 6*d.*; and then the consumption fell off 5,000,000 of pounds, namely, from 36,351,000 to 31,716,000 lbs.

2941. How do you measure the consumption?—By the quantity delivered from the warehouses, by the dock returns. In the following year, 1841, the price of tea fell from 4*s.* 6*d.* to 4*s.* -¾*d.*, and the consumption immediately rose to 36,811,000 lbs. In the following year, 1842, the price declined again to 3*s.* 11*d.*, and the consumption increased to 37,554,000 lbs. In the following year, 1843, the price declined to 3*s.* 4¼*d.*, and the consumption rose to 39,902,000 lbs. In the following year it declined to 3*s.* 2¼*d.*, and the consumption increased to 41,048,721 lbs. In 1845 the price again declined to 3*s.* -¼*d.*, and the consumption rose to 43,595,265 lbs. In the following year, 1846, the price declined to 2*s.* 11¼*d.*, and the deliveries were 41,534,000 lbs. I wish to observe, that in the year 1843 a decline of 2*d.* a pound on 3*s.* 4*d.* occasioned an increase in the consumption of a little more than a million, and a decline of 2*d.* a pound in the following year occasioned an increase of 2,000,000 lbs., and a decline of 1*d.* a pound in the following year occasioned an increase of nearly 4,000,000 lbs. in the consumption, showing that the consumption is not to be measured merely by the decline in price, but that every decline in price, however small the amount, takes in a larger circle of consumers; the increase is very remarkable in the last year or two, although the decline in price has not been great. This table I will hand in.

[*The same was delivered in, and is as follows:*]

| Year. | Average Price of Common Congou, In Bond. | Average Price of Common Congou, Duty Paid. | Delivered for Home Consumption. | RATES OF DUTY. |
|---|---|---|---|---|
| | *s. d.* | *s. d.* | *Lbs.* | 1800, Teas under 2 *s.* 5 *d.*, 5 per cent. Customs, and 15 per cent. Excise; above 2 *s.* 5 *d.*, 5 per cent. Customs, and 35 per cent. Excise. |
| 1801 - | 3 2 3/4 | 4 8 1/4 | 24,470,646 | 1801, May, 50 per cent. above 2 *s.* 6 *d.*; say, on an average, 45 per cent. |
| 1811 - | 3 - 1/4 | 5 11 | 23,058,496 | 1804, 96 per cent. on all teas. |
| 1821 - | 2 7 | 5 2 | 27,638,081 | 1821, 100 per cent. on teas above 2 *s.*; 96 per cent. on teas under 2 *s.* |
| 1831 - | 2 1 1/2 | 4 3 | 30,920,879 | |
| 1834 - | 1 9 | 3 11 | 35,490,901 | 1834, April 22d, duty on Bohea, 1 *s.* 6 *d.*; Congou, &c., 2 *s.* 2 *d.*; other sorts, 3 *s* |
| 1835 - | 1 4 3/8 | 3 6 3/8 | 36,653,000 | |
| 1836 - | 1 1 3/4 | 3 2 3/4 | 38,707,000 | 1836, duties equalized to 2 *s.* 1 *d.* |
| 1837 - | 1 1 3/8 | 3 2 3/8 | 36,315,000 | |
| 1838 - | 1 4 3/4 | 3 5 3/4 | 36,415,000 | |
| 1839 - | 1 5 1/2 | 3 6 1/2 | 36,351,000 | |
| 1840 - | 2 3 3/4 | 4 6 | 31,716,000 | 1840, May, 5 per cent. added to duty |
| 1841 - | 1 10 1/2 | 4 - 3/4 | 36,811,000 | |
| 1842 - | 1 8 3/4 | 3 11 | 37,554,000 | |
| 1843 - | 1 2 | 3 4 1/4 | 39,902,000 | |
| 1844 - | 1 - | 3 2 1/4 | 41,048,721 | |
| 1845 - | - 10 | 3 - 1/4 | 43,595,265 | |
| 1846 - | - 9 | 2 11 1/4 | 47,534,000 | |

I have prepared also a statement to show the proportionate consumption of tea in the United Kingdom, amongst the entire population, and also the proportion used by different classes, and in comparison with the consumption in the British dependencies. I find that the entire population of Great Britain and Ireland, taken at twenty-eight millions and a half, consumed 46,728,208 lbs. or 1 lb. 10 ozs. each person, the duty being 2*s.* 2½*d.* a pound. Of this the wealthier classes of the community, estimated at 10 per cent. of the whole, or 2,850,000, I calculate to consume 28,500,000 lbs. or 10 lbs. each person; that is, amongst those to whom the price of tea is not a matter of much importance.

2942. Do you mean including men, women, and children?—I mean taking the whole family. Domestic servants are estimated at four per cent. of the population, namely 1,140,000, which includes all domestic servants above the age of 21 years, and excludes all those under 21 years of age. The economical allowance which I believe is given to them is 6½ lbs. each, that will give a consumption of 7,410,000 lbs., leaving for the remainder of the population of 24,510,000 only 10,818,208 lbs., or about seven ounces each, so that the great bulk of the population are either not consumers of it at all, or consume it on a very small scale.

2943. Do not you imagine that with regard to the higher classes in the country coffee has in a great measure taken the place which tea used to occupy?—There is no doubt that coffee is used by some class of persons; but I am taking what is supposed to be a moderate calculation for people using tea, allowing that they use a proportionate quantity of coffee also.

2944. Have you ascertained it from personal inquiry?—My own personal inquiry would lead me to think that the estimated consumption of the wealthier classes is more than 10 lbs. a head, when I consider that two ounces a week is the allowance to domestic servants, which gives 6½ lbs. per head. I believe some gentlemen have given it as their opinion that the consumption among domestic servants is as much as 12 lbs. or 13 lbs; I have therefore taken in both cases an extremely moderate estimate. As far as my personal inquiries go, they would confirm a higher estimate for the wealthier classes than I have taken. The per-centage is very moderate, for I find that by an examination of the returns of inhabited houses paying duty, 19 per cent. of the entire amount are above 40*l.* rental. Therefore taking the estimate of the wealthier classes at 10 per cent., which is only about one-half of the population inhabiting houses of above 40*l.* in value, I think is a very moderate estimate indeed.

*H. Winch*, Esq.

11 May 1847.

2945. *Chairman.*] Does that include the population of the United Kingdom?—Yes. The usual allowance to the poor in workhouses is 3 lbs. 4 oz.; to emigrants 4 lbs. 3 oz., including emigrants both above and under the age of 14 years.

2946. For what length of voyage?—It is at that rate per annum; the allowance to sailors in Her Majesty's navy is 5 lbs. 4 oz. per annum, and that in addition to cocoa and other articles; therefore if as much as 5 lbs. 4 oz. is allowed to sailors in the navy, I am sure that this must be a moderate estimate for the wealthier classes. In the Isle of Man, among a population of 48,000 inhabitants, the consumption in the last year, at a duty of 1*s.* a pound, was 133,000 lbs., equal to 2 lbs. 12 oz. to each person of the entire population. In the Channel Islands, with a population of 76,000, the consumption in 1846, with no duty, was 312,000 lbs., or at the rate of 4 lbs. 4 oz. to each person. In Newfoundland, with a population of 96,000, the consumption in 1843 (which is the only date to which I have it) with a duty of 3*d.* per pound, was 401,680 lbs., or 4 lbs. 6 oz. to each person.

2947. Do you know for what price it sells there?—I am not quite sure of the price; they generally use a fair medium quality of Congou tea. I should think it ought to be sold there from 2*s.* to 2*s.* 6*d.* per lb. Then in Australia and Van Diemen's Land, the consumption is much greater; with a population of 181,072, the average consumption of four years was 1,101,576 lbs., or 6 lbs. 1 oz. to each inhabitant.

2948. Mr. *Moffatt.*] Are you aware whether in Newfoundland they use much coffee?—I have no idea what the consumption of coffee is there.

2949. Or in the Channel Islands?—Nor in the Channel Islands; but the duties upon those articles are equally low.

2950. *Chairman.*] Could you easily ascertain that, and furnish the Committee with that information?—I have no doubt I could; I will endeavour to do so.

2951. Mr. *Ewart.*] Has not the consumption of cocoa and coffee gone on increasing simultaneously?—Yes; the duty upon cocoa affords more revenue now at 1*d.* a pound than it did at 1*s.* a pound; and coffee produces a larger revenue at 4*d.* a pound on British plantation, and 6*d.* upon foreign, than it did at 1*s.* 6*d.*, and than it did at 2*s.* 6*d.*

2952. Mr. *Moffatt.*] It is within your experience that the increase you have stated with reference to tea has been concurrent with a large increase in the consumption both of cocoa and of coffee?—I believe it has.

2953. Viscount *Jocelyn.*] Have you ever thought what ought to be the diminution in the duty in order to increase the consumption very much?—I think that in order to increase the consumption very materially, and at once to restore the China trade to a proper footing, the reduction of duty should be a liberal one. I think a duty of 1*s.* a pound, which would be something like 90 per cent. upon the value, would be as much tea ought to bear.

2954. *Chairman.*] You would prefer doing it by a single stroke?—I prefer doing it by a single stroke, because prospective duties, if spread over a number of years, would derange the operations every time there was a change.

2955. Dr. *Bowring.*] You prefer a fixed to an *ad valorem* duty?—Unquestionably. I think that an *ad valorem* duty would be impracticable.

2956. Have you heard the arguments for an *ad valorem* duty taken upon sales by public auction?—I have paid great attention to the subject. There is no doubt at all that public sale would be the only system by which you could establish an *ad valorem* duty, but it would remain to be seen whether, under that system, you could collect the duties honestly and fairly. I do not think you could.

2957. Mr. *Moffatt.*] You believe that the goods must be compulsorily and *bonâ fide* sold at the public sale?—Yes, and the auctions must be confined to particular places, which would be a monstrous hardship upon the lesser ports of the country.

2958. Mr. *Parker.*] Does not an equal duty upon all qualities of tea operate as a hardship upon the lower classes of the people?—I do not think it does. I do not think that industrious classes of the community are consumers of the lower qualities of tea. I have taken some pains to ascertain the different descriptions

descriptions of tea consumed by the industrious classes of the community. I addressed a circular letter to those whom I knew to be large retail dealers in tea throughout the country, in England, Ireland, and Scotland, and I have replies from great numbers in the manufacturing and agricultural districts, and they all agree in this general principle, that the industrious classes of the community are consumers of either the medium qualities of tea or the superior kinds; that they are not consumers at all of the inferior description of tea. I will deliver in a copy of the circular, and the names of the parties to whom it was forwarded.

[*The same was delivered in, and is as follows:*]

9, North John-street, Liverpool, 1847.

I AM desirous of ascertaining what is the general description of tea consumed in your town and neighbourhood, by the industrious classes, whether it consists chiefly of the ordinary, middling, or superior qualities. The expression of your opinion on this subject will much oblige,

Yours, &c.
*Henry Winch.*

James Thomson, Strabane; James Stables, for Sidney & Stables, Leeds; D. Thomas & Son, Oswestry; Sanders, Weatherall, & Co., Stockton-on-Tees; John Hamilton, Bolton; J. and W. Stansfield, Stockport; Fletcher & Scarr, York; W. C. Whittingham, Manchester; William Bird, Cardiff; J. Lord, Grantham; John Wallace, Carlisle; Thomas Farrington, Bewdley; John Daly, Tuam; William Tyrer, Southport; John Burnet, Broseley; John Denny, Ulverstone; William Williams, Chester; Thomas Nunneley, Leicester; J. Deaville, Newcastle, Staffordshire; William Courtis, Swansea; William Jones, Crickhowell; Hubert Burke, Galway; Henry Arnold, Lincoln; Thomas Roper, for Thomas Watson, Wigton; John Winstanley, Runcorn; W. M. Dunhill, Rochdale; R. Wilton, Worksop; Duncan Hunter, jun. & Co., Glasgow; W. Marshall, Newcastle-on-Tyne; W. Brown, Wigan; M. Overton, Walsall; W. J. Pinn, Ripon; John Gibson, Whitehaven; John Morley, Derby; Daniel Birkett, Workington; William Kenworthy, Staleybridge; George Gould, Taunton; Armistead & Shepherd, Settle; W. and E. Burwell, Gainsborough; Richard Knight, Lancaster; J. Cottam, Retford; Thomas King, Newry; Samuel Sherlock, Warrington; J. A. Woodford, Cork; E. H. Griffin, Stourport; Henderson, R., Ollerton; J. and R. Urquhart, Aberdeen; Holgate & Co., Manchester; W. R. Matthews, Newport, Monmouth; Robert Martin, Nantwich; Thomas Forster, Brampton; Bingham Hall, & Co., Sheffield; John Phillips, Pontefract; S. Jones, Newtown; J. Kelly, Newark; Thomas Hallen, Pontypool; William Russell, Tenbury; Joseph Beecroft, West Bromwich; Thomas Jarvis, Whitchurch; W. Beddard, Dudley; W. Cowle, Stroud; John Parsons, Cowbridge; E. W. Meredith, Leominster; Joseph Brown, Cockermouth; J. Murray, Blackburn; W. Wilkinson, Colne; Adamson Holgate, Bradford; Dawson & Bushby, Carlisle; W. Barclay, Shrewsbury, Hewlett & Co., Cheltenham; A. and H. Moore, Ballymoney; F. M'Cabe, Drogheda; J. Hewetson, Maryport; William Dixon, Burslem; George Wintle, Dursley; Crosher & Clark, Loughborough; James Moreton, Keighley; Robert Gregson, Appleby; Charles Brooke, Ashton-on-Lyne; William Field, Hull; Thomas Collinson, Halifax; John Lacy, Kidderminster; John Roberts, Denbigh; C. Nicholls, Eccleshall; John Palin, Chester; Christopher Blades, Leek; Nutter, Brothers, Birmingham; J. Richards, Bala; Ford & Sons, Leith; J. and R. Hogg, Preston; T. Felthouse, Coventry; T. Kenderdine, Stafford; Samuel Davies, Exeter; J. B. Chapman, Durham; Richard Harkness, Ormskirk; John Grange; Altrincham; W. Parkes, Oldbury; W. Tarleton, Bridgewater; David Smith, Neath; James Moore, Loughborough; Richard Kenderdine, Stone; J. Stanley, Lane End; R. Forster, Londonderry; Richard Roberts, Pwlhelli; Francis Shrimpton, Worcester; Thomas Dawson, Penrith; L. Cooke, Richmond, Yorkshire; Leedam & Son, Burton-on-Trent; J. Conway, Abergavenny; George Bell, Gainsborough; T. B. Arkle, Atherstone; J. Jackson, Knutsford; Thomas Gill, Easingwold; Senier & Co., Burnley; R. Carson, Belfast.

2959. *Chairman.*] As you state that the industrious classes use chiefly the superior kinds of tea, of what use are the inferior qualities?—They have nearly ceased to be imported, having ceased to be consumed.

2960. Mr. *Parker.*] Is not the reason why they have ceased to be imported and to be consumed, that the duty is so vastly beyond their original price that the consumer chooses rather to take a better tea, which is of more value in proportion to the price, than to take that which otherwise he would have at a considerably lower rate?—I think even at present the price of Bohea tea, which is the lowest description of black tea, is nearly as low as it could be under an *ad valorem* duty.

*H. Winch*, Esq.

11 May 1847.

2961. What is the price now?—The price of Bohea tea now may be stated at 2 *d.* to 3 *d.* per pound.

2962. What does it sell for, including the duty?—The duty is 2 *s.* 2 ¼ *d.*

2963. Supposing that Bohea tea, worth 2 *d.* or 3 *d.* a pound, to pay a duty of 100 or 200 per cent., what would it sell for?—It would be absurd to suppose that it would be sold at 2 *d.* to 3 *d.* a pound under an *ad valorem* duty. It happens so now because there is no consumption for it.

2964. But suppose that Bohea tea now worth 2 *d.* to 3 *d.* a pound were to come in under an *ad valorem* duty of 100 per cent., what would it sell for?—It would not be sold at that price under an *ad valorem* duty, because it is not the freight and expenses.

2965. Will you answer the question upon that hypothesis?—At the present price of Bohea tea, of 2 *d.* to 3 *d.*, that, with a duty of 2 *s.* 2 ¼ *d.*, would be 2 *s.* 4 ½ *d.* If that Bohea tea which is now sold at 2 *d.* to 3 *d.*, were sold at the same price under an *ad valorem* duty of 100 per cent., it would cost the consumer 4 *d.* or 5 *d.* a pound. But no such result could take place, because Bohea tea could not be imported at that price.

2966. Supposing it was twice 2 *d.* or 3 *d.*, what would that bring it to under an *ad valorem* duty of 100 per cent.?—It would be from 8 *d.* to 1 *s.* a pound.

2967. What does it now sell for?—I think it is not consumed at all; there has been none quoted the last year.

2968. Supposing it were to come in now, what would it sell for?—If it were to come in now, it would bear a proportion to the prices of other tea.

2969. What would it sell for now?—The price of Bohea tea in the market now varies from 2 *d.* to 3 *d.* a pound.

2970. Then add to that the duty?—The duty is now 2 *s.* 2 ¼ *d.*; but if the duty was an *ad valorem* duty of 100 per cent., it would give a price of 4 *d.* to 6 *d.*

2971. Does not your answer to the former question, superadded to your answer to the last question, show that with an *ad valorem* duty of 100 per cent. the poorer classes of the community would get Bohea tea at 1 *s.* a pound, whereas they now get it at from 2 *s.* to 2 *s.* 6 *d.*?—That would depend upon the price at which Bohea tea could continue to be imported.

2972. *Chairman.*] What do you imagine would be the result upon Bohea tea of putting an *ad valorem* duty upon it?—The result would be to bring its value up to that of the other descriptions of tea.

2973. Mr. *Ewart.*] What was the consumption of Bohea when there was an *ad valorem* duty under the East India Company?—The consumption of Bohea was very great, but the difference in price was very small between that and other tea. I find that Bohea tea, in 1831 and 1832, was 1 *s.* 10 *d.* a pound, and Congou tea was 2 *s.* 2 *d.*; that is a difference of 4 *d.* a pound between the two. In 1814, the price of Bohea was 2 *s.* 10 *d.*, and of Congou tea 3 *s.* 2 *d.*

2974. *Chairman.*] Then the low price of Bohea tea at present is caused by the present system of duty?—Entirely.

2975. And a system of *ad valorem* duty would raise it up, not much below that of Congou?—No doubt.

2976. Then the effect upon the consumer of a fixed duty is very much to give to the poorer consumer a better tea at a small increase of price?—At the time when the alteration in the duty took place, in 1834, Bohea was admitted at a lower rate of duty than Congou tea; and the result was, that at the East India Company's sales they obtained for Bohea tea, subject to 1 *s.* 6 *d.* a pound duty, 1 *s.* 11 ½ *d.*; whereas for Congou tea, paying 2 *s.* 1 *d.*, they got 6 *d.* or 7 *d.* a pound less. The difference in price to the consumer was only the difference between the value of the two articles duty paid. It had no reference to the duty in contradistinction to the price.

2977. Mr. *Parker.*] Supposing the Chinese to be capable of the progressive production of tea that we have heard of, is it not probable that there would be the same extension of the cultivation of the cheaper classes of tea as of the middling and higher classes of tea?—I think it would be a very unfortunate thing if it could be so, both for the tea trade and for the revenue, because nothing could so much endanger the consumption of tea as the introduction of inferior qualities.

2978. It has been stated to this Committee that the power of progressively increasing the cultivation of tea in China is very considerable; does not that probability of progressive developement in China apply as well to the low-priced teas as to the higher?—It has not been so during the last few years.

2979. Has not there been sufficient reason why that should not be the case, from the fact of their paying the same duty?—No doubt the effect of the duty has been rather to encourage the better sorts, to the disadvantage of the lower qualities.

2980. *Chairman.*] Was the consumption of Bohea progressively increasing when there was an *ad valorem* duty?—The consumption was then equal to about one-fifth or one-sixth of the whole.

2981. Viscount *Jocelyn.*] Would not an *ad valorem* duty have the effect of giving cheaper tea to the consumer of the lower qualities of tea?—I do not think it would.

2982. Mr. *Matheson.*] At what price can Bohea be imported, so as not to entail a loss upon the merchant?—Taking freight and expenses at 3 ½ *d.* a pound, I should think at not less than 9 *d.* or 10 *d.* a pound.

2983. So that under an *ad valorem* duty Boheas would not come in at less than 9 *d.* or 10 *d.* a pound, which with a duty of 100 per cent. would make the price about 1 *s.* 6 *d.* or 1 *s.* 8 *d.* a pound?—Yes.

2984. Dr. *Bowring.*] You think that the operation of an *ad valorem* duty would be to encourage the importation of inferior qualities of tea?—I think it would.

2985. Mr. *Parker.*] Would not the effect be to give the consumer the choice of having what article he thought fit?—No doubt it would give him the choice of taking what he chose.

2986. If, therefore, it had the tendency you state, would it not be carrying out the best principles of trade to fix upon an article a duty in precise proportion to its value?—There is no doubt that if such a principle could be carried out, it would be a very fair and proper one. There is an artificial range of prices now which would not exist under an *ad valorem* system of duty. The lower qualities would be raised much above what they are now; for, notwithstanding now that Bohea tea may be got at 2 *d.* to 3 *d.* a pound, it is not consumed; the whole of it is exported; there is no part taken for consumption.

2987. What are the extreme inconveniences that you speak of as to the mode of taking an *ad valorem* duty?—By a system of public sale the difficulty would be to assess the value, it being impossible to get persons who could attach a fair valuation to tea in all the various ports at all times by a system of public sale. There would be a system of surveillance over the operations of the merchants and traders that would be very troublesome.

2988. Mr. *Moffatt.*] The system of a rated duty has been tried?—It was tried in 1834.

2989. What was the result of that trial?—After about 12 months' experience, it was abandoned.

2990. Are you aware why it was abandoned by the Government?—I believe from the inequality of its operation.

2991. Was it abandoned from the impossibility of carrying out the intended measure of classification laid down by the Act of Parliament?—No doubt, from the unfairness and inequality of its operation, the same qualities of tea being subject to different rates of duty.

2992. Mr. *Ewart.*] Do you think that as low a fixed duty, consistently with the interests of the revenue, as can be afforded, is the best system of duty?—I have no doubt of it.

2993. Dr. *Bowring.*] And that not only with reference to the revenue, but with reference to the interests of the consumer?—Yes.

2994. *Chairman.*] Is not it of great advantage to the merchant to know with certainty what duty an article will bear when it reaches the market?—No doubt of it.

2995. Can he be at all certain of that with a rated or an *ad valorem* duty?—Certainly not.

2996. Then has not that the effect of introducing, in addition to the other uncertainties of commerce, a new element of uncertainty, which subjects him to a risk of loss?—Unquestionably.

*H Winch*, Esq.

11 May 1847.

2997. Mr. *Parker.*] Do not you apprehend that in so large a matter as tea, of which the imports and exports are so enormous, there would soon be appointed an officer connected with the Customs, well acquainted with the value of the article, and that those difficulties would, in point of fact, soon be practically conquered?—I have some experience in tea, having been acquainted with it for the last 25 years; and I have no hesitation in saying, that it would be impossible to get a Government assessor who could affix a fair value at all times upon tea.

2998. Mr. *Moffatt.*] Or any other person?—Or any other person. Even amongst the most experienced in the trade, I have known variations of opinion to the extent of 20 per cent.

2999. Mr. *Ewart.*] Will you state your reasons for thinking that compulsory auctions could not be taken as the measure of the duty?—It would be, in the first place, a very harsh interference with the operations of importers, to compel them to sell the tea at such times as the Government might dictate, also to fix the quantities that they should put up at those public auctions, and the places at which those public auctions should be held, all of which would be necessary under that system.

3000. Would that be, in consequence of the more complicated interests of commerce now, more difficult than it was some time ago?—It is more difficult than it was some time ago, and much more difficult than it was under the East India Company; in fact, under the East India Company, none of those difficulties existed.

3001. Are you aware that both Dr. Adam Smith and Sir Robert Walpole recommended that plan?—No.

3002. Dr. *Bowring.*] How would an *ad valorem* duty affect the export of tea from this country; would it affect this country becoming the great entrepôt for tea?—The export of tea is not large, and therefore I should not think that would be a matter of any great importance; it does not exceed four or five millions of pounds in a year.

3003. Is the opinion you have given in favour of a fixed duty generally, as far as your experience goes, participated by the trade?—Unquestionably.

3004. Mr. *Ewart.*] Is not the system of selling by auction, at Liverpool, sugar, coffee, and everything else, very much diminished?—Very much.

3005. Can you state the cause of that?—I cannot state the cause exactly; but private sale transactions are more convenient. In fact, sales by public auction are an exception to the general rule.

3006. And therefore it may be supposed that it is public convenience which has caused the alteration?—No doubt.

3007. *Chairman.*] To compel a system of public sale would be compelling the merchants to recur to a system which a sense of their own convenience has led them to abandon?—Exactly.

3008. Mr. *Moffatt.*] Do you believe that it would be possible to compel merchants under that system to sell their goods; would it not be very practicable to make collusive sales so as to evade the payment of a large amount of duty due to the Government?—I do not know what could prevent either me or any other merchant from sending three or four cargoes of tea to Workington, or any other port in the kingdom, and having it there put up to auction to assess the duty.

3009. The result of the *ad valorem* duty would be, that the buyer would take the tea duty paid, and it would be the importer's business to endeavour to get his goods in at the lowest possible rate?—It would; the duty would then become as it were an article of merchandize; he would make the most of it.

3010. He would endeavour to beat the Government?—Undoubtedly; and I think he would have the advantage.

3011. Dr. *Bowring.*] Could the Government protect itself by the power of seizing the tea if it were undervalued?—I think it might; but it would be a very odd way of carrying on so important a trade as the tea trade; it would be a very unsatisfactory method.

3012. Would the power which Government had of seizing the tea, paying a certain price to the importer, give any adequate security for the collection of a fair *ad valorem* duty?—I do not think it would give sufficient security; it would be an element of annoyance to the importer.

3013. Mr. *Parker.*] Are you aware that the American government for 30 years received the largest branch of their customs duty, by a rated duty on tea, more complex than what existed in England in 1834?—I am not acquainted with the fiscal arrangements of the American government, but I believe that the duty upon tea was very small, and therefore even if it were more complex it would not be a matter of so much difficulty.

3014. Do you generally find that even in small matters there is generally a disposition in the mercantile world to acquiesce in what they conceive to be an improper exaction?—I do not think there is much willingness on the part of merchants to do so.

3015. Do not you apprehend that in a country so vigilant of its rights, and so careful as to its expenditure, as the people of the United States, when a rated duty on tea was levied in that country, those points of difficulty would have been raised, and if they were so insuperable as you have stated, it would have been abandoned much sooner?—I am not acquainted with the fiscal regulations of the American government; but I presume that there has not been that difficulty, for the duty upon tea, I believe, has been abolished; and it may have been from representations of merchants themselves, or from other reasons.

3016. Are you aware that the American government, in the course of the present year, have deliberately proposed an *ad valorem* duty of 25 per cent. upon tea?—I am aware that there has been some discussion upon the subject; but there is this great difference between the American system and ours, that the duty there is paid upon importation; the warehousing system is not in operation, and therefore the difficulties would be much less than they are here. It might not be difficult to assess the value of an entire cargo upon importation, and there would not be the same delays and inconveniences arising from the valuation that there would be when it came to be sold afterwards in small portions, and the duty distributed over a great number of sales.

3017. Do you apprehend that the withdrawal of the proposed duty on tea in the present year is attributable to its having been proposed in the shape of an *ad valorem* duty, or that Congress determined to have no duty at all?—I am so ignorant of the trade in America that any answer I could give would be a mere assumption.

3018. Mr. *Moffatt.*] The American duties on tea having been collected under a rated scale, are you aware whether the variations in that scale were large?—I am not acquainted with the American system.

3019. Referring again to the question of Bohea, are you aware what price the East India Company used to pay for their Bohea in Canton?—No, I am not aware what they used to give; their cost price here, I know, was about 1 *s.* 5 *d.* a pound. They made a distinction of 2 *d.* a pound between Congou and Bohea; 1 *s.* 5 *d.* was their upset price for Bohea, and 1 *s.* 7 *d.* for Congou, and that, I presume, was based upon the cost prices.

3020. *Chairman.*] Have you anything further to state to the Committee?—I beg to be allowed to show that I think that no very great defalcation would occur to the revenue after a liberal reduction of the duty upon tea; I have assumed a reduction to 1 *s.* a pound; I take as the basis of my calculation the consumption of tea existing now in the Isle of Man under a duty of 1 *s.* a pound, with a population similar to our own, a population comprising English, Irish, and Scotch; in fact, a mixed population; and that within the last year, and consequent upon the reduction of the price to the consumer, the consumption has nearly doubled. In 1844, the consumption of tea in the Isle of Man was 75,000 lbs. weight. In the last year, under a duty of 1 *s.* a pound, the consumption was 133,000 lbs. weight.

3021. What was the difference of the selling price in those two years?—The difference in the selling price would be 1 *s.* 6 *d.* a pound; although the duty was increased 6 *d.* a pound, yet, in point of fact, the public got their tea cheaper than they did under the old licensing system, which limited the supply. The effect of limiting the supply was to raise the price to the point at which they could get an extra quantity. The consequence was, that the power to import under the licensing system became valuable, and I believe it was a common thing for licences to import tea to sell at from 1 *s.* to 2 *s.* a pound, which was a tax in addition to the 6 *d.* a pound already paid to the local government;

*H. Winch*, Esq.

11 May 1847.

so that although the duty was but 6*d.* a pound, yet the consumer paid as much for his tea in the Isle of Man as he did in England. The price of tea generally was 4*s.* a pound in the Isle of Man, under a duty of 6*d.* a pound. I believe the average price to the consumer now does not exceed 2*s.* 6*d.* or 2*s.* 8*d.* At that price the consumption of last year averaged 2 lbs. 12 oz. each person. Now, assuming that a similar result (and I have no doubt of the fact) would follow a similar measure in this country, that is, a reduction of the duty to a 1*s.*, I take it that the consumption of this country would be 69,468,750 lbs., being an increase of about 50 per cent. upon the present consumption, taking the consumption at 47,000,000 lbs. and taking the population at twenty-eight millions and a half at the present time. The increased consumption of sugar that would follow that reduction of duty and increase in the consumption of tea would be 53,860 tons. Taking an average rate of duty upon that, say of 16*s.* 4*d.* per cwt., the extra consumption of sugar would produce a revenue of 879,713*l.* 6*s.* 8*d.*, which being added to the revenue from tea at 1*s.* a pound, of 3,473,437*l.* 10*s.*, there would be a total revenue of 4,353,150*l.* 16*s.* 8*d.* against 5,110,897*l.* 15*s.*, the amount for last year. That I take it would be the operation of the duty in the first year at 1*s.* a pound. In the second year, taking the same data, namely, the increase in the consumption of tea in the second year in the Isle of Man, the consumption of tea in this country would be 79,265,625 lbs., producing a revenue of 3,963,286*l.* 5*s.*, and the increased consumption of sugar would yield a revenue of 1,268,169*l.*, or a total revenue of 5,231,455 *l.* 5*s.* against 5,110,897*l.* 15*s.* last year. So that in the second year I take it that there would be a positive increase in the revenue derived from the two articles.

3022–24. Mr. *Parker.*] You have based your calculation, operating over a range of 28,000,000 of population, on what you conceive to be the present state of the same article over a population of 48,000 in the Isle of Man?—Yes.

3025. Is not the Isle of Man, from its position, particularly its access to the Mersey, very much open to afford facilities for smuggling?—There is less probability of smuggling from the Isle of Man now under a duty of 1 *s.* a pound, than there was under the duty of 6 *d.* a pound which existed previously to 1844; and if the smuggling of tea was at all desirable, it would be taken from the Channel Islands, where the duty is only 3 *d.* a pound at present, in preference to the Isle of Man. There is no probability of any smuggling from the Isle of Man under a duty of 1*s.* a pound, when from the Channel Islands they could get it at 3*d.* a pound.

3026. Dr. *Bowring.*] Or from Holland, where there is no duty at all?—Yes. I would observe with reference to the Isle of Man, that all articles are cheaper, that is, that the duties are much lower upon spirits, upon wines, and upon other beverages; and that the population of the Isle of Man is generally a poor population.

3027. Mr. *Harcourt.*] Do you know what the consumption of coffee is in the Isle of Man?—I believe it is not very large.

3028. Mr. *Moffatt.*] With this increased consumption of tea, has there been any corresponding increase in the consumption of sugar in the Isle of Man?—There has; I have based my calculations upon that. There has been an increased consumption of sugar equal to that which I have taken in my calculation.

3029. *Chairman.*] What was the difference in the selling price of sugar in the Isle of Man in the two years which you have compared?—I think the price of sugar has been rather higher, and not lower, but still the consumption has increased.

3030. In the ratio which you have taken as the basis of your calculation?—Yes; the prices of sugar in 1846 were about 4 *s.* a cwt. lower than they were two years before. I am speaking of the general average in England. I believe there was no change in the price of sugar in the Isle of Man which would affect the consumption. The duty upon sugar is higher now than it was in the Isle of Man; the price has risen to the consumer to 9*s.* per cwt.; the duties I perceive are the same; the duty of 1 *s.* on Muscovado sugar remains unaltered, but on refined sugar it is raised from 9 *d.* to 9 *s.*; but notwithstanding that, the great increase is in the consumption of refined sugar, which is generally used with tea; and that rather strengthens my position. The increase

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in the consumption of refined sugar was from 800 cwts. in 1843–44, to 1,241 in 1846.

3031. Do you consider what you have stated to be a basis quite large enough for the Chancellor of the Exchequer to proceed upon?—I have such confidence in it as this, that I should be very glad to be one of a party to farm the tea duty and the sugar duty together for a period of three years upon that basis.

3032. Mr. *Moffatt.*] Assuming a reduction in the duty on tea, which enabled the importer to supply the public with good useful Congou tea at 2 *s.* 6 *d.* a pound, and that the buyer could obtain at the same time coffee at 1 *s.* a pound, which in your opinion would be the cheapest for the public?—I think tea would be cheaper at that price, relatively.

3033. Your belief being that one pound of tea, costing 2 *s.* 6 *d.*, would go further in a domestic household than two pounds and a half of coffee at 1 *s.*?—Yes, I think it would.

3034. Mr. *Ewart.*] Which requires most sugar?—Tea would require a larger amount of sugar; but then I take into account the weight of tea used. A pound of tea would make a decoction that would require a greater quantity of sugar. Tea is a very elastic thing; you have only to add water to it to increase the consumption of sugar.

3035. Mr. *Parker.*] Would not that displace coffee to a certain extent?—It is very difficult to know the exact operation of the reduction of duties; but I found last year, that when the duty upon brandy was reduced, so far from its occasioning a lesser consumption of colonial spirits, the consumption of both colonial and British spirits went on *pari passu* with an increase of brandy.

3036. Supposing the effect of an additional consumption of tea were to be to displace a certain quantity of coffee, would not that displacement of coffee also take away from the revenue the duty on such an amount of sugar as would otherwise have been used in connexion with the coffee?—To any extent to which it restricted the consumption of coffee, of course it would restrict the consumption of sugar; but I should not apprehend any such result.

3037. In making, therefore, a general calculation upon this matter, if, on the one hand, you add the consumption of sugar incident to an increased consumption of tea, should you not, on the other hand, deduct the diminution of the consumption of sugar that might arise from the possible diminution of coffee?—That would only be the case supposing a reduction in the consumption took place. My impression is that no reduction would take place in the consumption of coffee.

3038. Mr. *Moffatt.*] Is not it a fact within your own knowledge, that coupled with the increased consumption of tea in last year, there was a large increase in the consumption of coffee?—No doubt of it.

3039. Mr. *Parker.*] Have you ever heard that the decreased consumption of spirits in Ireland, during the meridian of the temperance movement, was accompanied with an increased consumption of tea?—I believe that the consumption of tea has been increasing in Ireland some time, but I am not aware what were the causes of it.

3040. If that state of things was contemporaneous, namely, a reduction of the duty on spirits and a concomitant augmentation in the produce of the duties on tea and sugar, is not the inference raised to a certain extent, that those means which had hitherto been applied to spirits were then applied to the other articles; and that being the case, would not the inference be equally deducible, that with an increased consumption of tea, there would be a diminution in the consumption of coffee?—I think it quite possible that there might be to a slight extent.

3041. Therefore in forming any calculation of the effect on the revenue of the diminution of duties, and of the increase in the consumption of this article, is it not fair to take into consideration also those counterbalancing effects?—Undoubtedly.

3042. Dr. *Bowring.*] Are you aware of the fact, that notwithstanding the reduction of duty on brandy from 22 *s.* 10 *d.* to 15 *s.*, the revenue in 1846 from that source was as great as the revenue was in 1844?—I have seen statements to that effect, which I have no doubt are correct.

*H. Winch*, Esq.

11 May 1847.

3043. So that the revenue recovered itself in less than a year?—I have seen printed statements to that effect.

3044. Are you aware, as regards coffee, that the revenue in the year 1846, from duties of 4 *d.* and 6 *d.*, was equal to the revenue in 1842, from duties of 4 *d.* and 8 *d.*; the consumption having increased to the extent of 8,000,000 lbs.?—I believe that to be the case, although I have not the figures here before me.

3045. *Chairman.*] Have you any further information to give the Committee?—I have a Table showing the comparative duties upon tea, coffee, cocoa, and sugar, with the view of showing that the duties upon tea are very exorbitant when compared with any other article of necessity. For instance, the average price of tea in the last year was 1 *s.* 4 *d.* per lb., and the duty was 2 *s.* 2 ¼ *d.*, which gave a per-centage of 164. The price of coffee in bond was 60 *s.* per cwt., and the duty 40 *s.*, or 66 ⅔ per cent. Upon cocoa the cost price in bond was 45 *s.* per cwt., and the duty 12 *s.*, or 26 ⅔ per cent. Of sugar the average cost price was 35 *s.* in bond, and 16 *s.* the duty, which is 45 per cent. So that while sugar has paid 45 per cent. duty, cocoa 26, and coffee 66, tea has paid 164 per cent. With the permission of the Committee, I will deliver in this Table.

*[The same was delivered in, and is as follows:]*

A TABLE showing the Average Cost Prices in Bond of leading Articles of Consumption imported into this Country, the Duties, and the Per-centage to the Cost, for the Year 1846.

| Articles of Consumption. | Cost in Bond. | Duty. | Per-centage. |
|---|---|---|---|
| | *s.* *d.* | *s.* *d.* | |
| Tea | 1 4 per lb. | 2 2 ¼ per lb. | 164 |
| Coffee | 60 – per cwt. | 40 – per cwt. | 66 ⅔ |
| Cocoa | 45 – „ | 12 – „ | 26 ⅔ |
| Sugar | 35 – „ | 16 – „ | 45 |

3046. The increased consumption of the last two years you attribute to the reduction of price to the consumer. Do you conceive that tea could be permanently supplied to the consumer, with the present rate of duty, at the price at which it has lately ranged?—I think not. I think that the present position of the China trade is such as to restrict the importations of tea.

3047. If the price should be raised, judging from past experience, would you say that the revenue to be derived from tea in future will not be maintained at the point it has lately reached?—I do not think it will.

3048. The consumption having been based upon the price, which price cannot be continued consistently with the prosperity of the trade?—Exactly so. There is one feature showing the peculiar hardship of the tea duty, which I wish to name. In 1832, when the consumption of tea was 31,000,000 lbs. costing only three millions and a half, the Chancellor of the Exchequer received one half the amount, that is, three millions and a half out of seven millions, whereas last year 46,000,000 lbs. of tea cost the consumer, independently of the duty, rather less; in fact, only three millions; but the Exchequer derived five millions; so that in 1832 the Government got three millions out of seven millions, whereas last year they got rather better than five millions out of eight. May I be allowed to refer to the evidence of Mr. Brodribb, the other day, merely to say, that I perfectly concur in the evidence he gave, touching the amount of duty to the consumer, that the effect of the 2 *s.* 2 ¼ *d.* was in reality a duty of 2 *s.* 9 *d.* to the consumer; that the duty forms a charge of profit to the merchant, and to everybody after the merchant dealing with it.

3049. Mr. *Moffatt.*] That is the result of your experience, being largely acquainted with the profits put on by the importers of tea, and by the whole trade?—

trade?—I think that an average of 25 per cent. is by no means a large estimate either upon that or any other article.

3050. *Chairman.*] You mean between the first hand in England and the consumer?—Yes, including the profits of all the intermediate parties.

3051. Would you say that with regard to the smaller shopkeepers in country villages the amount of profit would be considerably greater?—I think 25 per cent. upon the whole is a very moderate calculation; in some instances I have no doubt it much exceeds that.

3052. Mr. *Moffatt.*] The calculation of profit is invariably taken upon the duty-paid price of the tea, not upon the bonded price?—Undoubtedly; it matters not to me whether in duty or in cost, if a large capital be occupied.

*Jeremiah Garnett*, Esq. called in; and Examined.



3053. *Chairman.*] YOU reside at Clitheroe?—Yes.

3054. You are a partner in the house of Garnett, Horsefall & Company?—Yes; spinners and cotton manufacturers.

3055. Exporters to China?—Yes.

3056. What is the result of your experience of the China trade?—Till within the last three years we had felt encouragement to go on; but since that the result has been very disastrous. We have written to our agents invariably to send us nothing in the shape of produce, either tea or silk, but to send us bills of exchange, if they were procurable at the exchange of the day, whatever it might be. The answer has been, that in nine cases out of ten they cannot make a sale of goods for cash, by which they can purchase bills, but that they must sell the goods in barter for tea or silk.

3057. Then the limit of your trade you find practically to be the power of taking tea or silk in exchange?—Yes.

3058. And when you bring home the tea in exchange, what do you find to be the result?—We find that although we might have had a small profit by bills of exchange, we lose very considerably by the tea.

3059. Therefore the power of consuming tea you find to be practically the limit of your export of manufactures?—I have come to the conclusion that nothing will make the trade to China profitable, but either a great reduction in the export of goods to China, or a great increase in the consumption of tea in England, and that can only be effected by a very great reduction in the duty.

3060. What has induced you, under these unfavourable circumstances, to continue your export trade to China?—Simply from this; I was inclined to give over two years ago, but on consulting gentlemen who had been intimately connected with the China trade, I was recommended to go on, for this reason; they said, "You require no assistance from the people to whom you send your goods; your capital is amply sufficient to carry on your business without borrowing anything from anybody, and we think that you will have fewer competitors, and that will leave you a better chance." But up to the present time that has not happened.

3061. Has not there been a considerable diminution in the exports?—Not very much at present.

3062. Dr. *Bowring.*] Do you continue to export?—We have done so. About two months ago was the last shipment that we sent. We had some goods manufactured, which we could not sell at home at anything like a profit, and therefore, like men in a strait, we sent them abroad.

3063. Mr. *Moffatt.*] Has the result of the prices of your goods in China realized a profit or a loss, irrespective of the tea sent home in return for the goods?—They have realized a loss.

3064. At the prices at which they sold at Canton?—At the prices at which they sold at Canton. If the returns could have been exchanged in bills, they would have realized a small profit, or if the returns could have been made in the same exchange as the bills.

3065. Yours is an experience extending over several years?—Ten or a dozen years.

3066. *Chairman.*] Do you find that to be the experience of others in the same trade?—Yes, and I believe to the same extent, or greater. The last three

*J. Garnett*, Esq.

11 May 1847.

years we have not got a farthing towards interest on capital, though we are two years before we get our capital back.

3067. Dr. *Bowring*.] In no case have you received bills of exchange?—Not in one case out of ten.

3068. Mr. *Moffatt*.] Have you told your correspondents in China to send bills in return for your goods?—Yes, and we have prohibited their sending anything else; and their answer is, "Then you must keep your goods at home."

*James Matheson*, Esq. a Member of the Committee, Examined.

*J. Matheson*, Esq. M. P.

3069. *Chairman*.] YOU have had considerable experience in the China trade?—I resided in China from 1818 till 1842, with some occasional absences.

3070. You have seen the China trade under its various phases?—I have.

3071. Have you had an opportunity of considering the state of our trade with China since the opening, as to its prosperity or otherwise?—I have had occasion to observe that the trade has laboured under very great disadvantage from the difficulty of selling tea in this country.

3072. You consider that tea, in reference to the intercourse between the two countries, must be the main element of exchange?—Certainly.

3073. Have you found practically that the export of manufactures is limited by the quantity of tea which can be taken by this country?—I have retired from business for some years, and have had nothing to do with manufactures, but I have understood that the export of manufactures has been very much cramped by the difficulty and loss in realizing tea in this country.

3074. Have you had an opportunity of forming an opinion as to what effect a reduction of the duty on tea would have upon our commercial intercourse with China generally?—There can be no doubt that a reduction of the duty on tea would greatly benefit trade by increasing the consumption of tea.

3075. Do you believe that there is any other means by which the consumption of tea can be increased, than that of a reduction of that part of the price which is made up of the duty. Do you think that there is any alteration in the system of trade with China which can affect the price of the article materially to the English consumer?—I think not. The trade of China might be ameliorated by some slight improvements, but not to any extent that would materially increase the supply of tea or affect the price in England.

3076. Have you had an opportunity of knowing whether the production of tea could be easily increased to any considerable extent?—I have had no particular opportunities of knowing that; but from the vast internal consumption among so immense a population, it is to be supposed that a considerable increase in the export might take place without materially affecting the supply for internal consumption. When the subject of the reduction of duty was first spoken of in this country, I had occasion to comment on what I understood was the opinion of the tea trade. I understood them to say, that unless they got a very large reduction at once, they were afraid that the consumers in this country would not derive the full benefit from it. I was formerly disposed to contest that opinion, from an apprehension that a large reduction of the duty would lead to an increase of price in China, and which I think it would have done under the old system; but considering the opening of additional ports and the greater freedom of trade since the peace, I now have no such apprehension. I think that a large reduction of duty would be highly beneficial, and would not lead to any material increase of price in China in the long run.

3077. Viscount *Jocelyn*.] Have you seen any great difference at different periods in the price of tea according to the demand?—Yes, I have seen it rise, especially about the years 1836 and 1837; the period dwelt upon in Mr. Thom's communication to the governor of Hong Kong, which has been commented upon before this Committee. Having every reason to feel the utmost confidence that Mr. Thom's information was correct, I have looked back to letters at that period of the firm to which I then belonged, and I found that the price of tea rose very considerably in the early part of the year 1837.

3078. *Chairman*.] That was at a time when the sources of supply were more limited?—At a time when the number of persons with whom Europeans were allowed to deal was very limited.

3079. Dr. *Bowring.*] That was under the existence of a practical monopoly?—A very strict monopoly. There were only about 12 or 13 Hong merchants, and of those a great many were insolvent and not trustworthy, so that in fact the great bulk of the trade fell into the hands of two, or three, or four Chinese merchants.

3080. *Chairman.*] Who could make almost their own prices?—Who could make almost their own prices; and they were able to combine to keep back their teas for very considerable periods; for four or five months.

3081. Viscount *Jocelyn.*] Is the tea practically at present in the hands of a few merchants?—I cannot speak to the present state of the trade.

3082. Mr. *Harcourt.*] You resided 24 years in Canton?—In Canton and Macao; Macao was the place of recreation for the Canton merchants.

3083. Had you any opportunity of visiting the tea districts?—I have been at Amoy, but not in the interior.

3084. Dr. *Bowring.*] The ordinary action of supply and demand was at that time interfered with by the internal regulations and difficulties at Canton?—Yes.

3085. So that the facts growing out of that state of things would not be applicable to the commercial relations now that the trade is emancipated?—Certainly not.

3086. Mr. *Moffatt.*] Your impression is, that in case of any increased demand for tea from this country, it could be supplied from China without any material increase of the first cost in China?—Yes, decidedly.

3087. And consequently the objection which you formerly had to any large and sudden diminution of duty on that ground, is now obviated?—Under the altered circumstances of the China trade it is entirely obviated.

3088. Viscount *Jocelyn.*] Do you believe that there are any very heavy transit duties levied upon our manufactures which go from this country?—I have no correct information upon that point.

3089. Mr. *Ewart.*] Or upon the tea as it comes to the ports?—The expenses of transit are very heavy, owing to the land carriage. Mr. Ball, the inspector of the East India Company, printed a little pamphlet upon that subject.

3090. Viscount *Jocelyn.*] Is not it mostly water communication?—Mostly water communication, but partly land, and up the steps of a hill.

3091. Mr. *J. A. Smith.*] Do you conceive that the teas now sent to Shang-hai originally came to Canton?—I suppose so.

3092. If that was the case the opening of those ports ought to afford very great facility for English merchants to buy tea cheaper?—Certainly, both for tea and silk.

3093. Mr. *Moffatt.*] Is it within your experience that that result has actually occurred in the present year in consequence of the opening of that port?—I have had no concern with the trade this year.

3094. Mr. *J. A. Smith.*] Can you give the Committee any information about the charges upon English exports, in going into consumption in China?—No, I cannot.

3095. With regard to silver, do you believe that there is a very great difference in the quantity of silver circulated in China now, as compared with 10 years ago?—I have no recent information upon that subject.

3096. At the time you were there, was there not an abundance of silver in China?—Great abundance.

3097. Do you know to what cause that is to be attributed?—No.

3098. Did you hear the opinion expressed by a former witness, that the Chinese government have sources known only to itself, or which are kept very private, of getting at silver in times of difficulty?—I think there is little doubt of it.

3099. Dr. *Bowring.*] You published a pamphlet some years ago, in which you expressed a strong opinion as to the course which our Government should take, in order to maintain a proper position in China. Your opinion was, that on every occasion, a bold front should be shown to the Chinese, and that our interests should be protected always by the exhibition of a power to give effect to any reasonable demands we might have upon the Chinese. Do you still entertain the opinions you then expressed?—Certainly, in all cases of reason-

*J. Matheson*, Esq. M. P.

11 May 1847.

able and proper demands; but at that time, the opinions I expressed were very much theoretical, previously to the war.

3100. Do you think that the effect which was given by the war to those opinions has greatly facilitated the extension of our commercial relations with China?—I presume so.

3101. *Chairman.*] Do you think, on the other hand, that it is very important that English merchants going to China should be very careful to accommodate themselves as much as possible to the feelings and habits of the people with whom they mingle?—Certainly, great forbearance is desirable.

3102. Mr. *J. A. Smith.*] Of course there must be exceptions; but do not you think, generally speaking, that that has been the desire of the English residents in China, speaking of them as a body?—It has been, generally. The oldest residents in China are generally the most reasonable in complying with their prejudices and feelings.

3103. You have probably read the evidence of Mr. Alexander Matheson before this Committee; generally speaking, would you confirm the conclusion at which he arrived, of the great importance with regard to the tea trade, and with regard to the trade generally, especially with reference to the export of our manufactures, of getting a reduction of the duty on tea here?—Certainly.

3104. Dr. *Bowring.*] Independently of remedying the grievance of the high duty on tea, can you suggest anything that would be likely to facilitate and augment our relations with China?—I have not given much attention to the subject, but I think that where the consular regulations are found to operate as a hardship, or a restriction upon trade, it would be very desirable to relax them, so as to suit the convenience of British merchants.

3105. Do you think that the English consuls can be conveniently and properly used as protectors of the Chinese revenues?—I think that it is a very anomalous position indeed, and I do not consider it at all a desirable thing.

3106. *Chairman.*] In fact, the position which we now occupy, as being recognised in China, imposes restraints which did not exist before?—So it would appear from what we have heard.

3107. Mr. *J. A. Smith.*] Have you any idea that there are any new articles of export in China which might be made the subject of interchange with our goods?—That is a point upon which, after a lapse of five years since I left that country, and considering the great change that has taken place since, I do not feel competent to speak. Sugar appeared an article susceptible of increase, and a very desirable article to encourage, owing to the necessity of a certain amount of dead weight in all the tea-laden ships.

3108. Viscount *Jocelyn.*] Do you believe, knowing a good deal of the trade, that it would be impossible for any government in connexion with the China government to put down the opium trade in China?—I think not.

3109. You believe that the only effect of an understanding between the British Government and the Chinese upon that subject would be to throw that trade into the hands of another country?—Decidedly.

3110. Mr. *J. A. Smith.*] Do you think that the Chinese government were ever sincere in their desire to put down the opium trade?—For a short period in 1839 they were certainly sincere.

3111. But previously to that?—And for some little time before that.

3112. Viscount *Jocelyn.*] In 1839 did they not show that they were totally unable to put a stop to it?—They checked the consumption for a period to a degree that the merchants never thought it possible they could have done.

3113. You do not think that that was owing to the idea that prevailed in India at that time, that it would be impossible to introduce opium; and that therefore the supply was not equal to the demand?—I have always had an impression that the proceedings of the Chinese at that time were guided by what they heard of missionary appeals as to the possibility and the desirableness of prohibiting the trade, in consequence of which they expected the sympathy of foreigners to a certain extent.

3114. Mr. *Harcourt.*] You think that it was more from a moral view of the subject, than with the view of preventing the exportation of sycee silver?—It was probably from both those motives. The desire to avoid the exportation of silver was probably put forward among the motives.

3115. *Chairman.*]

3115. *Chairman.*] Has there been much practical inconvenience felt from the exportation of sycee silver?—Much less felt than might be supposed.

3116. Mr. *J. A. Smith.*] To what do you principally attribute the vast increase in the consumption of opium in China in the last six or seven years?—I understand that it has been very freely connived at by the Mandarins, which is probably the cause.

3117. At all times there was a connivance by the officers of government at its consumption, was not there?—At all times.

3118. Was not the governor of Canton supposed to derive part of his revenue from opium, directly or indirectly?—So it was understood.

3119. Mr. *Harcourt.*] Did it pass into all parts of the interior, or was it chiefly used near the coast?—It passes into all parts of the interior. At one season of the year (I forget the season) there are tribute boats sent up to Pekin with presents and ornaments from Canton to the Emperor, and those had always a large quantity of opium smuggled on board of them, which used to be known from the increase of the demand at that particular time.

3120. Viscount *Jocelyn.*] Do you suppose that it was for the use of the craft?—I presume it was sold on the voyage on the way up.

3121. Mr. *Ewart.*] Was not it given in evidence before the Committee on the East India Company's Charter in 1831, that opium was used in the Imperial Palace at Pekin?—It was supposed so.

3122. Sir *G. Staunton.*] You think that British power might properly be exerted in enforcing just and reasonable demands, but you would not recommend that the British power should be exerted in enforcing any demand which is inconsistent with the rights of China as an independent power?—Certainly not.

3123. Mr. *J. A. Smith.*] Have you any opinion to give about Hong Kong?—It is an admirable place of rendezvous, and as a free port could not fail to be highly beneficial to this country, and ultimately not a source of expense.

3124. And a place of considerable importance?—Certainly.

3125. *Chairman.*] Do you imagine that it can ever become an effective free port under the limitations imposed upon it by the treaty and the supplementary treaty?—Only by the connivance of the Chinese at the infraction of the treaty.

3126. Mr. *Ewart.*] Was not there once an American consul at Hong Kong?—There is one now, but not vested with the same powers as the British consul.

3127. Is it your opinion that the restrictive powers of the British consul should be relaxed, and more latitude allowed to British subjects?—I think so.

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*Jovis, 13° die Maii, 1847.*

MEMBERS PRESENT.

| | |
|---|---|
| Dr. Bowring. | Mr. Moffatt. |
| Mr. Ewart. | Mr. Parker. |
| Viscount Jocelyn. | Viscount Sandon. |
| Mr. Harcourt. | Sir George Staunton. |
| Mr. Hawes. | |

VISCOUNT SANDON, IN THE CHAIR.

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Mr. *Alexander Thomas Gordon,* called in; and Examined.



3128. Mr. *Hawes.*] WHAT office did you fill at Hong Kong?—Surveyor-general.

3129. What was the date of your arrival at Hong Kong, and of your ceasing to hold office there?—The date of my arrival at Hong Kong was at the latter end of the year 1842; the very end of December 1842; I resigned last November.

3130. You resigned of your own free will, not being requested to do so, or induced to do so, on the part of any person in authority?—Entirely.

Mr. *A. T. Gordon.*

13 May 1847.

3131. Who was the governor of Hong Kong when you took office?—Sir Henry Pottinger.

3132. And when you resigned?—Sir John Davis.

3133. Were you present at the first land sale under Sir Henry Pottinger?—I was; at least I was in my office; it was held under the same roof; I was not in the room during the whole of the time.

3134. What was the date of that sale?—The 22d of January 1844.

3135. Were there any holders of land prior to that sale?—Yes.

3136. Was Mr. Gibb one of those holders?—He was; the firm of Gibb, Livingston & Co. was.

3137. Were there any conditions of sale published previously?—It was notified in the gazette, that the terms of sale might be known in my office, 14 days prior to the sale.

3138. How was the rent of the land so sold adjusted or determined?—At the sale the land was put up at a fixed minimum rate; the biddings were for the annual rental increasing upon that minimum rate.

3139. There was an upset price, and the rent was determined by the biddings of the parties?—Yes.

3140. Those parties having a perfect opportunity of knowing the conditions of sale?—Perfectly so.

3141. Was Mr. Gibb one of the original holders of land?—He was, before the sale.

3142. He was one of the gentlemen to whom land had been granted?—Yes.

3143. Subject to future conditions?—Yes.

3144. Dr. *Bowring.*] Granted when?—Granted by Mr. Johnston, at different periods, during Sir Henry Pottinger's absence. Mr. Johnston was deputy governor, and he made some grants of land; and there were some holders of land which had been sold by Captain Elliott.

3145. Mr. *Hawes.*] The rent then of the land was determined by the bidding of the parties, their being a fixed upset price?—It was.

3146. After the sale what steps were taken by the Government to communicate to parties the rent they had to pay?—They knew the rent, of course.

3147. Was there not some official communication made?—No.

3148. A lease was granted?—Yes.

3149. And then the rent was inserted?—Yes.

3150. The Government on the one hand, and the purchaser on the other, being the parties to the lease?—Yes.

3151. Then the only notification that the parties had of the rent they had to pay, was in the lease which they signed, and which they accepted?—Yes.

3152. Mr. Gibb has stated to this Committee that so dissatisfied was he, as well as others similarly circumstanced, at the price put on the land, that he and others remonstrated over and over again, and that no reply was ever received to their remonstrance. Are you aware of such remonstrance having been addressed to Sir Henry Pottinger?—I am not aware of any remonstrance to that effect; I am aware of one remonstrance being addressed to him, which alluded merely to the subject of tenure.

3153. Will you explain more fully, what was the nature of the remonstrance with reference to the tenure?—The original holders of the land, prior to that sale, thought that a tenure of 75 years was too short, and they addressed a memorial to Sir Henry Pottinger to that effect, and to that effect alone.

3154. There was no complaint as to the rent?—None whatever.

3155. Did you ever hear any complaint at any time as to the mode in which the bidding for the rent was conducted?—Never.

3156. Are you aware of any document signed by Mr. Gibb and others complaining of the mode of running up the price of the land?—I am not.

3157. You are not aware of any such document being in existence?—No.

3158. As far as you know, no such document was presented to Sir Henry Pottinger?—No, I am not aware of any such.

3159. Was there any remonstrance of any kind to Sir Henry Pottinger, save and except with regard to the tenure?—Sir Henry Pottinger replied to the remonstrance on the tenure; and in the rejoinder to that reply there was an opinion expressed as to the value of the land. The gentlemen who signed that rejoinder said that they thought that the result would prove that the value which the land fetched at that sale was delusive and fictitious.

3160. What reply did Sir Henry Pottinger make to that, or what steps did he take upon it?—I am not aware that he made any reply further than acknowledging the receipt of it.

3161. What should you understand by the price being "delusive and fictitious"?—I understood them to mean that that price would hereafter not be realized in subsequent sales; that in future the land would sell at a lower price.

3162. You did not understand it as imputing any irregularity to the officers of Government conducting the sale?—Certainly not; there was not the slightest allusion to any such thing in the memorial.

3163. Did it ever reach your ears that such an imputation was afloat?—Never.

3164. Never, till you now hear it from me?—Never till now.

3165. Did the parties take any steps afterwards themselves to call the attention of the Government to the mode in which the sale was conducted?—Never, to my knowledge.

3166. None reached you as surveyor-general?—None reached me.

3167. Was not there a committee appointed to inquire into the whole subject, both the grant of land, and the subsequent sale of the land, and the tenure by which certain parties held the land?—There was.

3168. Did that committee make any report?—Yes.

3169. Was that report made public?—It was not published; but the terms of the tenure which that report recommended were made public. I am not aware that the whole of that report was made public.

3170. Do you mean published in the local papers?—It was notified in the Gazette that persons applying at my office would hear the terms of the tenure.

3171. You were understood to say that the first land sale at Hong Kong was a public sale?—Yes.

3172. The terms were known generally?—They might have been known at my office 14 days prior to the sale. In addition to which, at the sale the lease was read by the legal adviser of the Crown before the sale began.

3173. Was the sale well attended?—Very well attended.

3174. You have been speaking of the first land sale under Sir Henry Pottinger?—Yes.

3175. Was there a previous land sale under Captain Elliott?—Yes.

3176. Were the terms known then?—I know nothing about that; that was long before I went to China.

3177. Are you aware of any persons who had bought land at this first sale, under Sir Henry Pottinger, having repudiated their purchases?—No, I am not aware of that.

3178. Do you feel confident of that?—I am confident that I never heard of any as long as I remained in China, and after that there were none that I am aware of.

3179. Do you know Mr. Strachan?—Yes.

3180. Is there more than one Mr. Strachan?—Yes.

3181. Which Mr. Strachan took part in this land sale?—Both.

3182. One of the Messrs. Strachan is a builder?—Yes, an architect.

3183. The other Mr. Strachan is a clerk in a merchant's house?—He was at that time a clerk in the house of Gemmell & Co.

3184. Mr. Robert Strachan was a clerk in a merchant's house in Canton?—He was.

3185. Did he purchase at the sale?—Yes, a great number of lots.

3186. Do you know whether or not he repudiated any of the lots he so purchased?—I am not aware that he did.

3187. It was not in your time?—It was not in my time.

3188. Did Mr. Strachan bid at that sale?—I presume he did.

3189. For himself or for any one else?—I have no means knowing for whom he bid.

3190. You have no knowledge of that but from other parties?—No.

3191. I need not ask you whether you had any interest in this sale?—None at all.

3192. And I need hardly ask you whether you had any understanding or

Mr. *A. T. Gordon.*

13 May 1847.

communication with Mr. Strachan as to running up the price of land at that sale?—Certainly not; I never had.

3193. I may ask you whether this is the first time that such an idea has ever been suggested to you?—It is.

3194. You never heard of it in the colony?—I never heard of it before.

3195. The Committee are to understand you distinctly to say that you had no communication, direct or indirect, with Mr. Strachan as to the price at which the land was to be sold?—None whatever.

3196. And that Mr. Strachan's proceedings at the sale were wholly and entirely independent of you, and, as far as you know, of any Government officer?—Perfectly.

3197. When you state that you never heard of this allegation before, may I ask whether it was ever mentioned in the local papers?—Never, that I am aware of.

3198. I need hardly ask you whether you generally saw the local papers?—I think I read them all; they were not very numerous at that time.

3199. Had it therefore been a matter of comment in the newspapers, it could hardly have escaped your observation?—I think it could not. I was obliged to leave China on sick certificate some time after that sale, and I had not the papers forwarded to me regularly in this country, and therefore I cannot say that such a thing did not appear in the papers; but such a thing was never breathed to me, and I never heard of it till now.

3200. Are you acquainted with the proceedings of the committee appointed to inquire into the tenure of land generally?—Yes, I was a member of the committee.

3201. You see no objection to the whole of those proceedings being made entirely public?—None whatever. In fact the whole of them were made entirely public; although the report was not actually published in the words in which it was addressed to the Colonial Secretary, the terms of the tenure upon which the committee decided, as to the scale of fees and what land was to be resumed, and everything of that sort, were made public; all the results were published.

3202. Dr. *Bowring.*] As regards the grants made by Captain Elliott in 1841, is it your opinion that the persons to whom leases were granted were entitled to possession in fee, or to a lease extending beyond a period of 75 years?—According to the proclamation which was published they were not entitled at all, for the Crown did not recognise any grants made prior to the signing of the treaty. As a matter of right or claim, the Crown denied it altogether in the instructions sent to my office.

3203. Then you understood that the Crown refused to confirm that which Captain Elliott was disposed to grant?—The Crown refused to confirm it as a matter of right, and left the option to Sir Henry Pottinger to confirm any purchases he pleased, but forbid him to grant perpetuities.

3204. Mr. *Hawes.*] All those grants were publicly known to be subject to such conditions as the Government might hereafter impose?—Yes.

3205. Dr. *Bowring.*] I wish to ask your opinion, whether the granting long leases, much longer than the term of 75 years, would not have been a great encouragement to the settlement of British merchants, and have greatly assisted the developement of our commercial relations in the colony?—My opinion was that it would.

3206. And you therefore think that the reversal of Captain Elliott's recommendations was prejudicial to the colony?—Yes, I do, as relates to that point.

3207. When you were in the colony, did you give expression to the same opinions which you are now conveying to the Committee?—Yes. My opinion was in favour always of a longer lease than 75 years to the original holders.

3208. With a view to the interests of the colony, and to the extension of British trade?—Yes.

3209. Mr. *Hawes.*] The term of 75 years was fixed after great consideration, was it not?—It was.

3210. Do you know whether when it was first made known it created any dissatisfaction?—Yes, it did. The original purchasers under Captain Elliott were dissatisfied.

Mr. *A. T. Gordon.*

13 May 1847.

3211. Was it expected when they purchased that they were to have the fee-simple, or a very long lease at a low rent?—They did not expect a low rent, because the rent was fixed at the sale. They were dissatisfied, I think, at having been led to expect to hold in perpetuity, and then being limited to 75 years.

3212. Dr. *Bowring.*] Did the heads of the great commercial establishments remonstrate with you?—Yes; with Sir Henry Pottinger upon the tenure.

3213. Is there any written record of your opinions upon this subject?—No.

3214. But you did not fail to convey them to the superior authorities?—No, it was well known as a matter of conversation.

3215. Mr. *Moffatt.*] You heard a reference to Mr. Strachan's purchases. Has he paid rent upon all the purchases that he made?—As far as I am aware, he has.

3216. How long is it since you left Hong Kong?—On the 29th of November last.

3217. He had been the buyer of a considerable number of lots prior to your leaving?—Yes.

3218. And he had paid the purchase money upon them?—There was no purchase money; the bidding was for an annual rental.

3219. The instalments which had fallen due up to the time of your leaving, Mr. Strachan had paid?—As far as I am aware.

3220. He had not relinquished any lots, or given notice of his intention of relinquishing any?—Not that I am aware of.

3221. Are you aware of any lots having been relinquished, after having been purchased by any individuals?—I am.

3222. Were there many?—No.

3223. They were exceptions?—Yes; I know of none being relinquished, without the permission of the Government.

3224. The only complaint that you heard, with regard to the sale of those lots, was with reference to the parcels that were granted by Captain Elliott, and with reference to the terms?—The only complaint that ever reached me, was with regard to the tenure.

3225. On the first sale by Sir Henry Pottinger, the terms were distinctly understood by the buyers, and no question has since been raised upon those terms?—None that I am aware of.

*Thomas Augustus Gibb,* Esq. called in; and further Examined.

*T. A. Gibb,* Esq.

3226. Mr. *Hawes.*] YOU have heard the examination of Mr. Gordon?—I have.

3227. Do you wish to make any remark upon it?—No. On finding that Mr. Gordon was going to be examined, I put on paper some remarks with reference to my previous evidence, which with the permission of the Committee I will read, and which will perhaps enable the Committee to ask any further questions of me. With reference to my first examination before the Committee, on the subject of the land sale at Hong Kong on the 22d of January 1844, it would seem that, from the circumstances I adduced to show that the land had been assessed at an exaggerated value, the Committee inferred that I had come forward to prefer a charge against the land officer. But such was not the case, at least such was not my intention; for the fact is well known, that many of the officials had transactions in land from the first existence of Hong Kong as a British colony; and that many of them, no longer resident in China, are drawing incomes from property there up to the present moment, is likewise well known, unless indeed the depreciation of all property there prevents it; and therefore it would be nothing singular if it were proved that the land officer had an interest in the land bought by Mr. Strachan. But my complaint, founded upon Mr. Strachan's own statement of an arrangement between himself and the land officer, (and a similar statement, or one if possible bearing stronger on the fact, I hear he made to Mr. William Scott, a gentleman now in this country,) is simply that Mr. Strachan went to that sale with a knowledge that he should not be required to retain all the lots he purchased, but should have the privilege of throwing up those he pleased and retaining the

*T. A. Gibb*, Esq.

13 May 1847.

others that he thought most eligible. Under these circumstances, the evident tendency of such an arrangement was to give an unfair and exaggerated value to the land; and the sale was in effect a fictitious one; and I submit that this is proved by the fact that some of the lots purchased by Mr. Strachan have lapsed to Government, and that he retained the most eligible without the payment of any penalty upon the lots thrown up. In giving my evidence on this subject, I did not conceive I was imparting anything new, but a fact as generally known to the community of Hong Kong as that of the land sale itself; (there is Mr. Crawfurd Kerr here, who can also establish the fact I have now stated), the fictitious nature of which, as I have said, was afterwards pointed out to Government. Since my first examination, I hear that my land was assessed before this sale took place; but as we could not obtain our leases before the sale, and as I was not aware of the terms until some time after, which I submit is proved by our letter to Sir Henry Pottinger, dated 4th March 1844, a copy of which I now tender to the Committee, it was therefore a fair inference that the result went to confirm or correct the valuation. I do not know that my rental was assessed before this sale; but, admitting the fact, it appeared evident to me, from the leases not being ready for execution until some time after this had taken place, that the exaggerated price obtained regulated the price of my assessment; more especially as, in reply to our letter above named, in which we complain of the terms, &c. of our leases, (a copy of which reply, dated 6th March 1844, I now tender to the Committee,) the Government refer to the prices obtained at this sale; and although in our answer, dated the 25th March 1844, (a copy of which I also tender to the Committee,) we brought to the notice of Government the fact of this sale being fictitious, no relief has been granted in the stringent terms of our leases, nor any reply that I am aware of given to our last letter.

[*The Letters were delivered in, and are as follow:*]

CORRESPONDENCE concerning the Tenure of Land at *Hong Kong*.

To His Excellency Sir *Henry Pottinger*, Bart. G.C.B.

Sir, Hong Kong, 4 March 1844.

HAVING had an opportunity of perusing the form of the leases intended to be granted to the occupants of land at Hong Kong, we deem it our duty respectfully to represent to your Excellency our great surprise and disappointment at some of the stipulations therein contained.

The lands we hold consist partly of marine lots purchased at a public sale, held under the sanction of Captain Elliott, and partly of suburban lots granted by Captain Elliott and A. R. Johnston, Esq., while acting Governor of Hong Kong. We were never given to understand that the lands were only to be held under a lease of 75 years' duration, far less that at the end of that period the buildings erected thereon were to become the property of Her Majesty, without compensation of any kind; on the contrary, we understood that the tenure was to be perpetual, though the details were left open for after arrangement.

Indeed, in a letter from Captain Elliott, Her Majesty's Plenipotentiary, under date Macao, 17 June 1841, the principle of granting leases on very moderate terms, either in fee simple or at a low annual quit-rent, was distinctly promised. We beg leave to annex to this letter a copy of the document in question. At the time of sale, it was stipulated on behalf of Government that we were to expend a certain sum in the way of buildings, &c., on the lands, in order to secure their possession to us, which we cheerfully assented to, never doubting that we should be dealt with by the Government on fair and equitable principles.

On the faith of this pledge by the representative of Government, and before the terms of the proposed leases became known to us, we had expended on sea walls, warehouses, and dwellings, very considerable sums; but had we been previously aware of the conditions now proposed, we certainly should not have expended one farthing on buildings at Hong Kong.

We would remind your Excellency that the current interest of money in China is from ten to twelve per cent per annum, so that a building costing 75,000 dollars will stand the owner in the annual interest of 7,500 dollars in addition to the quit-rent payable for the ground, and by the proposed form of lease, to this would have to be added the annual depreciation of a property to be given up without compensation of any kind at the end of 75 years, forming altogether so heavy an annual burden as to be without a parallel in any British or other colony. We trust, therefore, that your Excellency will see the expediency of modifying the terms of the lease so far as to make it perpetual, Government still retaining the power of increasing the ground rent at fixed periods, say of 75 years, according to what may then be the value of land in the colony. We have the fullest conviction that this

would

*T. A. Gibb*, Esq.
13 May 1847.

would tend greatly to the prosperity of the settlement. Indeed, rather than expend money in building under the proposed tenure, most foreigners will prefer resorting to Macao, Canton, and the other Chinese ports where buildings can be rented on far more moderate terms.

We may be allowed to point out to your Excellency that an adherence on the part of the Government to the proposed terms of lease, would thus eventually be placing those who first commenced improving their property at Hong Kong, and who, from the sums already expended cannot withdraw from the occupation of their buildings without ruinous loss, most unfavourable terms compared with others who have the option of resorting to places where land can be bought or rented on much more moderate conditions, and we submit that it never can be the wish or intention of Her Majesty's Government to place the early occupants of land in the new settlement in such a position.

Should your Excellency consider it within your power to accede to our request as to a revision of the lease, we would at a future period venture to suggest alterations on some of the minor points which we have not deemed it expedient to notice in our present communication. We have the fullest confidence in your Excellency's sense of justice, and in the assurance that our claims to a more equitable tenure will meet with due consideration.

We have, &c.

Jardine, Matheson & Co.
Dent & Co.
Lindsay & Co.
Fox, Rawson & Co.
D. and M. Rustomjee & Co.
Charles Fearon.
Wm. Scott.
W. and T. Gemmell & Co.
Fletcher, Larkins & Co.
Holliday, Wise & Co.
Gibb, Livingston & Co.
Jamieson, How & Co.
R. Oswald.

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SALE OF LANDS ON HONG KONG ISLAND.

Gentlemen, Macao, 17 June 1841.

HAVING had under my consideration the particulars of the first sales of lots in Hong Kong on the 14th instant, I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of my purpose, to move Her Majesty's Government either to pass the lands in fee simple for one or two years' purchase at the low rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain.

My own object respecting the disposal of lands pending the pleasure of Her Majesty's Government was to secure to firms and all other persons (British or foreigners) having permanent interests in the country, sufficient space for their necessities at moderate rates, with as little competition as might enable parties to accommodate themselves according to their respective wants. I feel assured, upon attentive reflexion, that steady adherence to this rule will be found most conducive to the well-understood interests of the establishment, and to the fair claims of persons upon the spot; parties falling within the description I have specified, not yet supplied with lots, will soon be in a situation to accommodate themselves. May I request you, gentlemen, to circulate this letter.

I have, &c.
(signed) *Charles Elliott*,
Chief Superintendent charged with the Government of Hong Kong.

To Messrs. Jardine, Matheson & Co., and to Messsrs. Dent & Co.

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(No. 92.)

Colonial Department, Government House, Victoria,
Gentlemen, Hong Kong, 6 March 1844.

I AM directed by His Excellency the Governor in Council to acknowledge the receipt of your letter, dated the 4th instant, to the address of Sir Henry Pottinger, with one enclosure, and am to acquaint you that copies of those documents will be transmitted by an early opportunity for the consideration and commands of Her Majesty's Government.

I am at the same time directed to say, that his Excellency in Council is by no means prepared to admit the validity of the general reasoning made use of in your letter, or to recommend to Her Majesty's Government an acquiescence in the sweeping terms of your application.

You must be already perfectly aware, from the various notifications which have been published regarding Crown land in this colony, of three points; 1st. That the Governor in Council has been positively prohibited by instructions from England from alienating land in this colony either in perpetuity or for any period beyond that which might be sufficient to induce persons to erect substantial buildings, &c. 2dly. That Her Majesty's Government did not see fit to recognize grants or sales of land that had been made by or under any authority whatsoever up to the period of the exchange of the ratification of the

*T. A. Gibb*, Esq.

13 May 1847.

Treaty of Nankin; and 3dly, That a committee was ordered to be appointed to inquire into the equitable claims of all holders of land, to define the classes to which particular lots should henceforth belong, as well as their future annual rent, and to arrange for the disposal of further lots by public auction, &c.

That committee on being appointed proceeded to fulfil the important and invidious trust reposed in them with the most anxious and painstaking impartiality, and not only did the local government see reason to consider its valuations, arrangements, and recommendations liberal and just, and as such to sanction and confirm them; but it may be observed that this opinion was very shortly after absolutely demonstrated and confirmed by the public voice, as evinced in the fact that at the recent sale of Crown lands every single lot fetched above the upset price, which upset price was the rent of corresponding lots averaged and fixed by the committee.

I am also desired to remind you, that not one individual in twenty of the purchasers of land at the sales or grants authorized by Captain Elliott or Mr. Johnston fulfilled the prescribed terms of those sales or grants; that it thence followed that the greater number of those sales and grants might have been declared to be null and void, and the land again put up to public competition, when its value had been greatly enhanced, as shown by the late sales by auction; that that enhancement is proved as well by the result of those sales as by the undeniable and notorious circumstance that perhaps more than three-fourths of the money laid out in this colony has been expended since the publication of the notifications already quoted in this letter, or in other words, since the island became a *bonâ fide* possession of the British Crown. But the local government willingly availed themselves of the discretion left to them (under the peremptory restrictions as to alienations), to disturb as little as was consistent with the general interests of society and the well-being of the colony, the act of former authorized.

At the same time, his Excellency the Governor in Council distinctly and unhesitatingly declares, whatever may be the decision Her Majesty's Government may be pleased to come to on your appeal, he should esteem any arrangement, grounded, however remotely, on the principle alluded to in Captain Elliott's letter to your address of the 17th June 1841, of which you have thought it worth while to submit a copy, to be utterly inapplicable to the present state and future prospects of this colony, and obviously and wholly unjust towards the rights of the Crown.

Having thus explained to you the sentiments of the Governor in Council, I am desired to add that, looking to the instructions from England, although it has not been considered that a positive stipulation on the subject could be introduced into the leases, yet Her Majesty's Government will be moved to place on record that it shall be understood that at the expiration of the present leases, the offers of the occupants of the different premises shall have a preference over all others (*cæteris paribus*), and that they shall be allowed to renew their leases on favourable terms for such further period as may be then deemed just and expedient.

I have, &c.
(signed) *Richard Woosnam.*

Messrs. Jardine, Matheson & Co.,
Messrs. Dent & Co., Messrs. Turner & Co.,
&c. &c. &c.

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To *Richard Woosnam*, Esq., &c. &c. &c.

Sir,

We have the honour to acknowledge receipt of your letter of 6th instant, in reply to one we addressed to his Excellency Sir Henry Pottinger on the 4th instant, and we beg to be allowed to offer the following observations in reply.

You remark, that we must have seen, from various notifications which have been published regarding Crown lands, that "Her Majesty's Government did not see fit to recognize grants or sales of land that had been made by or under any authority whatsoever up to the period of the exchange of the ratification of the treaty of Nankin;" but it is proper to remark, that in the Government Notification of 21st August 1843, it is added, that "an inquiry should be instituted into the equitable claims of all holders of land to a confirmation, either permanent or temporary, of their titles, so far as they could be confirmed consistently with a just regard to the interests of society at large."

The sales of land under the authority of Captain Elliott, Her Majesty's then plenipotentiary in China, were first held on 4th June 1841; and in the interval between that date and 26th June 1843, the date of the exchange of the ratification of the treaty of Nankin, many of us had invested considerable sums in buildings, on the faith that the acts of all Her Majesty's authorities in China would be fully confirmed. In this conviction we have been borne out by the decision of Her Majesty's Government, above quoted, in which the principle of a complete confirmation is recognized, with merely the qualification that it is to be granted with a just regard to the interests of society at large.

As the local government has in all cases resumed land and altered boundaries wherever the general interests of society required such interference, we submit that the existing holders of land for which leases are now in course of preparation, are possessed of property of which it is admitted they are proprietors without any injury to the interests of society or the just rights of the Crown, and we beg respectfully to observe that we cannot but consider the spirit of the instructions from Her Majesty's Government, above alluded to, would

appear

appear to sanction our expectation that our property should be held on the terms and conditions which we were first led to expect would be imposed; we mean either on the principle named by Captain Elliott or at any rate on as favourable terms and conditions as those to which land in other British colonies is subject.

With reference to your remark, "that perhaps more than three-fourths of the money laid out in this colony has been expended since the publication of the notifications already quoted, or in other words, since the island became a *bonâ fide* possession of the British Crown;" we beg leave to observe that we cannot subscribe to the correctness of this statement. The notification named was published on the 26th June 1843, but on 10th April 1843 a Government notification was published, in which there was the following clause, "the land officer has been authorized and instructed to prevent the commencement of any further buildings or clearing away of locations, until final arrangements can be made," and this restriction has never been removed until the sale of land on the 22d January 1844. We submit, therefore, that on inquiry, it will appear, although many buildings previously commenced may have been finished in the intervals, that no private buildings have been undertaken during the period in which you seem to suppose nearly all the money has been expended, and that in point of fact nearly the whole of the expenditure, or at least such outlay as rendered the remainder unavoidable, has been made long antecedent to the holders of land being led to anticipate that any onerous conditions would be imposed on them.

It remains for us to observe on your remark "that the valuation and arrangements of the Committee prior to the recent sales of land were absolutely demonstrated and confirmed to have been liberal and just by the fact that at that sale every lot fetched above the upset price." With reference to this strong and important declaration we feel it incumbent upon us to assure His Excellency in the most unreserved manner, of our firm conviction that the result will prove such sale to have been in a great measure of a fictitious and delusive character; and that probably not one out of five of the purchases made at that sale will ever be carried into *bonâ fide* effect. The lots sold on the 22d January were to the number of 116, of which some were composed of portions of land formerly granted by Captain Elliott, but resumed by the existing Government, and which the parties who considered themselves the proprietors were compelled to purchase, even at an exorbitant price, or abandon ground on which, on the faith of what was previously deemed a valid title, they had expended considerable sums. Of the whole 116 lots only three have as yet any buildings commenced on them; and we beg leave to subjoin a memorandum showing the nature of such buildings.

We have not the most remote intention of imputing to the Committee any but the most fair and impartial feeling, and had all proceedings and building in the colony commenced with the ratification of the treaty of Nankin we should not have had a word to say on the subject; but we cannot too strongly urge upon the Government at home, through His Excellency the Governor, our claim as holders of land under grants and sales, upon which we have expended so large an amount of time and money, to as moderate conditions and tenures of property as obtain in other British colonies,—a principle which under the circumstances we feel the greatest confidence will be conceded.

We have, &c.

(signed) *Jardine, Matheson & Co.*
*Dent & Co.*,
and the others.

Victoria, Hong Kong, 25 March 1844."

3228. You have heard what Mr. Gordon has said upon this subject, and that he did not understand that the words "fictitious and collusive" implied any charge against the Government officer?—Our understanding there was, that the sale was fictitious and collusive, because a number of the lots that were sold were not intended to be adopted, and have not been adopted.

3229. When you say "were not intended to be adopted," what is the foundation of that opinion?—From Mr. Strachan's own admission to me. I was not aware that he had made the same statement to another gentleman, who is fortunately now in this country.

3230. Your whole opinion rests upon the statement of Mr. Strachan to yourself?—And upon the fact that he did not adopt the 15 lots, but only a portion of them; and he has paid no penalty, or any rent, upon that portion he has thrown up.

3231. Did any one pay any penalty who threw up lots?—When it became noised abroad that Mr. Strachan was allowed to throw up his lots, other people did the same.

3232. Was it the fact that he did throw them up?—I have only Mr. Strachan's admission that he had not adopted the 15 lots, and there are several gentlemen in this room who will confirm that statement.

3233. Your statement that Mr. Strachan went there with the knowledge that he was not bound to retain the lots which he bid for is founded on Mr. Strachan's own statement alone?—Yes.

*T. A. Gibb*, Esq.

13 May 1847.

3234. Mr. *Moffatt.*] Could you have any stronger proof than that?—It was that which made us fancy that Mr. Strachan's statement was the fact.

3235. Sir *G. Staunton.*] Did you understand that Mr. Strachan was suffered to throw up those lots without being subjected to any penalty?—Yes.

3236. What penalty was he liable to?—We were not aware of the conditions of the sale till they were read in the sale-room; at least I was not; and I believe the rest of the community were in the same situation. The conditions of sale were read over very rapidly by the Government officer, and we appealed to him to read them over again, but the answer was, "We have come here to sell, not to discuss conditions."

3237. In Mr. Strachan's case the conditions were not enforced?—I believe not in any case.

3238. Dr. *Bowring.*] Had not the conditions of sale been printed in the newspaper?—I think not prior to the sale.

3239. Sir *G. Staunton.*] The ground of your considering the sale collusive was, that the conditions were not enforced?—Yes.

3240. Is there any other ground for saying that the sale was collusive?—No other.

3241. *Chairman.*] When you say "collusive," do you mean to make a charge of personal corruption on the part of the public officer, that he had an interest in the transaction, or that as a public officer he was raising the price for the benefit of the Government he represented?—The only foundation for making a charge of collusion between the land officer and Mr. Strachan, was upon the statement of Mr. Strachan, and I should think it could not be for the benefit of the officer, because it could not be his interest to run up the price of land.

3242. And therefore you make no charge of personal corruption, though it might be a want of discretion on the part of the Government officer, if he took such measures to raise the price to the purchaser?—I cannot think that Mr. Gordon had any interest in raising the price, because it is well known that almost every officer in Hong Kong had been a trafficker in land.

3243. In that particular case of the sale he had no personal interest in raising the price of the land?—Certainly not.

3244. On the contrary, if he were a purchaser, the reverse would be his interest?—Yes; I have no wish to make a personal charge against Mr. Gordon, for I received every facility from Mr. Gordon, when I was there. I had not seen our letter to Government since that time, but I was satisfied that we represented the sale as delusive and fictitious. We had great reason to be dissatisfied with Hong Kong, from the great disappointment we experienced. We had reason to believe that Hong Kong would be a great depôt for China goods, &c., which I believe it would have been if the Government had carried out the intention of making it a free port.

3245. Mr. *Hawes.*] By making it a free port, you mean if the Government had paid the whole expense of the colony?—No; the land sales would have been sufficient to pay the expense.

3246. Mr. *Ewart.*] Do you mean that the failure in Hong Kong was in consequence of the restrictions upon trade there?—I attribute it first to that part of the supplementary treaty, which obliges all junks to bring permits from one of the five ports; I attribute it in the next place, to the Registration Act. In the next place, I attribute it to the opium farm, placing great power in the hands of one Chinaman, which he uses with great severity, to the oppression of other Chinese.

3247. If those restrictions were removed, is it your opinion that Hong Kong would become an important place?—Quite so; we anticipated that the rent of land would be enormous when we first went over to Hong Hong.

3248. Mr. *Moffatt.*] Is it still your opinion, that in case those restrictions were removed, Hong Kong would be a flourishing place?—I have not the slightest doubt of it. If Government would refer back to all the lots purchased, and those lapsed to Government, they would find that the rent of the lots so lapsed now amounts to about the rent of the opium and all those farms.

3249. Viscount *Jocelyn.*] Do you think that the effect of the Government officers trafficking in land has been injurious to the colony?—Where the officers who bought the land did not adopt it, and did not comply with the Government terms, it led other private individuals to do the same. There are gentlemen in this room who can speak more strongly to that sale than I can do.

Mr. *Alexander Thomas Gordon*, further Examined.

Mr. *A. T. Gordon.*

13 May 1847.

3250. Mr. *Hawes.*] HAVE you any observation to make upon the statements which you have just heard made by Mr. Gibb?—I have merely to say that there were no conditions that I am aware of, that were not strictly fulfilled, for the terms of the sale prepared by the legal officer were all specified in the lease. Notice was given in the Gazette a month previously, that those terms would lie in my office, and they were lying in my office 14 days prior to the sale. At the sale the lease was read over by the legal adviser; there was no penalty upon either Mr. Gibb or anybody else. The bidders were left perfectly free; it was thought better, I believe, that they should be fettered with no conditions of that sort. The anxiety to get land was very great. One condition of the lease was, that six months' rent should be paid in advance; and in every lease that went out of my office six months' rent was included.

3251. In Mr. Strachan's purchases was it included?—In every lease.

3252. Mr. *Moffatt.*] Mr. Strachan bought 15 lots?—Yes.

3253. Did he take a lease of the whole of those lots?—He had not taken leases of the whole of them when I came away; but when I left China the other day Mr. Strachan was a holder of 11 or 12 or 13 lots. I know from his own lips that he was the holder of lots to that extent.

3254. On which he has paid six months' rent in advance, on receiving his lease?—That I cannot speak positively to, because the collection of the rents is now removed out of my office to the Treasurer's office.

3255. You were understood to say, that no lease left your office without six months' rent being paid?—Yes, but the rent now is not paid into my office.

3256. The leases do not issue from your office?—No, they do not; they do not hand over leases on receiving the money, as they did at first.

3257. Dr. *Bowring.*] Were leases prepared of the 15 lots of which Mr. Strachan was a purchaser?—Undoubtedly.

3258. Mr. *Moffatt.*] And your belief is that he has adopted 13 of them?—Unless he has sold them to other persons. I know that not one lot of those 116 that were sold is now in the hands of the Government, except what may have been reserved for Government purposes.

Mr. *Charles Edward Stewart*, called in; and Examined.

Mr. *C. E. Stewart.*

3259. Mr. *Hawes.*] WHEN did you go to Hong Kong?—I became a Government officer there in March 1842.

3260. How long did you remain there?—Till October 1844.

3261. What office did you fill?—Treasurer and financial secretary.

3262. You have heard what Mr. Gordon has said?—Yes, the latter part of his evidence.

3263. With reference to the preparation of the leases in the Surveyor-general's office, and the delivery of those leases to the treasurer for the purpose of seeing that the conditions were fulfilled, especially that relating to the payment of six months' rent in advance before the parties had the lease given to them; was that strictly enforced?—The delivery of leases to the treasurer had reference to my successor. I will state the practice at the time to which I allude. In the case of one or two of the first leases the money was paid to the land officer; he had no proper person for the examination of it, and I arranged with him that the money should be paid into the treasury, and that upon my receipt he should issue the lease. I had a cheque book printed for the purpose, in which I entered the sum of money I received. On a requisition from the land officer I received so much money on account of lot so and so, and upon my rendering him a receipt for the money he issued the lease.

3264. Do you happen to recollect a transaction of that kind with Mr. Strachan?—Not particularly, but it is very possible that he may have been one of the parties.

3265. You do not remember any lease specially to him?—No.

3266. Did you, whilst you were in the colony, hear any complaints against the Government in reference to running up the price of the land at those sales?—I saw it in the weekly papers, among other complaints.

Mr. C. E. Stewart.

13 May 1847.

3267. Was any importance attached to it?—Not the slightest, I believe.

3268. Either on the part of the leading merchants who resided there, or on the part of the Government?—I should think not, not to those personal charges. I remember a charge, first, that the Government officers had run the price up, in order to obtain credit with the Home Government; that was changed, about a fortnight afterwards, into this personal charge against Mr. Gordon.

3269. You heard of the charge against Mr. Gordon?—Yes; it was a subject of editorial remark in one of the papers.

3270. Was it brought to the notice of the governor at all?—No, not that I am aware of.

3271. Was it the fact that some of the Government officers were purchasers of land at those sales?—I think not at those sales; they got grants of land previously; I am not aware of any Government officers having purchased land at those sales. It is possible that they may, but I do not think they did. After quitting the Government service, I purchased a lot of land at a public sale, and I obtained a grant of land before entering the Government service, but I made no purchase of land during the time I was a Government officer.

3272. What extent of land was granted to you?—It was nominally five acres. It was a suburban lot, which was disallowed afterwards.

3273. Was that under Captain Elliott?—No, since, from Mr. Johnston, on the terms of 2 *l.* per acre.

3274. Did Sir Henry Pottinger confirm the grant?—No, he disallowed the acts of Mr. Johnston as far as it rested with him; he disallowed them, and said it must depend upon the pleasure of Her Majesty's Government, as all acts of his own must do.

3275. What was the result?—The Government disallowed everything.

3276. Viscount *Jocelyn.*] Were all the grants that were made disallowed by the Home Government?—Every one.

3277. Dr. *Bowring.*] Were grants made to public officers on the same conditions as to other persons?—Yes.

3278. Viscount *Jocelyn.*] Did Sir Henry Pottinger make no grants?—He made one to Mr. Mercer, I think, whose house at Macao was burnt; I am not aware of any other.

3279. Dr. *Bowring.*] Do you think that the granting longer leases than 75 years, or leases in perpetuity, would be advantageous to the interests of the colony?—Yes, I think it would have been advantageous; however, I do not think it was a vital matter, either that or the price of the land. I think too much stress has been laid upon it, and that, had the colony been kept free from taxation and monopoly, proprietors would have become reconciled to the high rates paid for land.

3280. You do think that if the system of long leases had been continued a greater number of purchasers would have come into the field?—They might have come into the field, but they would have quitted it again.

3281. But a greater amount of land would have been sold?—No, I do not think it would. I think you might have got a greater number of people there, but they would have quitted for the same reason that many of those who have invested property in the colony are quitting it.

3282. To what do you attribute the abandonment of the colony by the settlers?—To the mistaken course that has been pursued with regard to trade.

3283. You do not approve of the commercial regulations which have been made at Hong Kong?—No; I think they have been very injudicious.

3284. Mr. *Ewart.*] In what respect?—The establishment of monopolies.

3285. In what?—In opium, and in everything else.

3286. You mean the system of licensing?—Yes.

3287. Commercially speaking, do you consider that our management of Hong Kong is what it ought to be to develop the resources of the place?—No, I think the very reverse; I think the only way is to restore it to perfect freedom, trusting to the land rents for the revenue till you get a large population, and give them a voice in the administration of the funds raised.

3288. With reference to the restriction stated to be imposed upon commerce by the regulation requiring a pass for Chinese junks from one of the five ports, do you consider that to be injurious?—There is no question that it is injurious to Hong Kong, if it be not required by our relations with China.

3289. Dr. *Bowring.*] Do you think that the removal of the opium monopoly would again resuscitate Hong Kong?—It would assist in doing so; but I am afraid that more than that must be done.

3290. What would you suggest in addition?—Perfect freedom in everything, and trusting entirely to the land rents for revenue.

3291. You think such farms are pernicious?—In a high degree.

3292. Mr. *Parker.*] Is it the amount of the taxation, or the mode of raising it, which you think is so injurious?—Not the amount; the vexatious mode of raising it.

3293. Do you believe that under what you conceive a more judicious arrangement, an equal or a larger sum might be raised for the public service?—It might have been raised; but now that people have established themselves at Canton and Shang-hai, it would be difficult to get them back to Hong Kong.

3294. Mr. *Ewart.*] If an entire reform were made in the colony, would that in your opinion suffice to restore the colony to a flourishing state?—It would have prevented its decay; but I am not sure that it would bring it back.

3295. Dr. *Bowring.*] You would be disposed to make the experiment of discontinuing the opium farm, and setting commerce free from restrictions?—Yes, that is the only hope.

3296. Mr. *Hawes.*] Do you know anything of the system adopted at Singapore?—No. I recollect reading some of the papers furnished by that Government.

3297. Dr. *Bowring.*] How long were you at Hong Kong?—Two years.

3298. Is the opinion which you have expressed, the general opinion of the colony?—I think so.

3299. Mr. *Moffatt.*] Have the merchants remonstrated with the Government upon the system which the Government has pursued?—I have seen it noticed in the public papers, but I quitted Hong Kong in October 1844.

3300. Mr. *Parker.*] Are the circumstances of which you disapprove, of such moment as to have caused persons to go in any number to Canton?—Yes; I think to a very considerable extent. Certainly, they prevented many from settling at Hong Kong.

3301. Mr. *Ewart.*] They have prevented the immigration of Chinese into Hong Kong?—Yes, no doubt of it. But the great thing is, that some of the principal firms have been induced to establish their head quarters at Canton, instead of at Hong Kong.

3302. Sir *G. Staunton.*] Do you think that an extensive trade can be maintained at Hong Kong, consistently with the strict observance of the supplementary treaty with China?—Not perhaps with a very strict observance of it; not immediately, unless the Chinese kept faith with us, which there is a disposition to believe they will not do, but I am not aware upon what authority, for hitherto they have kept faith with us pretty well.

3303. That treaty has put an end to the junk trade, has it not?—It has checked it very much, no doubt.

3304. Mr. *Parker.*] Do you attribute, in fact, any portion of the effects which you regret at Hong Kong to the treaty?—No doubt some portion of them are attributable to the 13th article of the treaty, which prevents illicit communication with Hong Kong.

3305. Dr. *Bowring.*] Do you think that the Chinese themselves have derived any benefit from that article?—It has prevented the smuggling trade, and it has prevented the introduction of our goods without payment of duty to the Chinese government as far as we have acted upon it; but I believe it is not acted upon now, and never was acted upon strictly.

3306. Then it has not had that effect?—Because there has been no trade; but had there been any trade, it would have had that effect.

3307. Therefore, if it has no effect, the Chinese have no interest in it?—But it would be a just ground of complaint against us not fulfilling that article of the treaty.

3308. Do you think that the Chinese have any efficient means of protecting themselves from having smuggled into the country any articles upon which there are high duties?—No; apparently they have no disposition to do it; their officers do not exert themselves honestly for the object.

3309. From what you know of the Chinese, do you think it is likely that they would have efficient means of excluding English goods where there was a profit upon their introduction?—I think not.

Mr. C. E. Stewart. 13 May 1847.

3310. Mr. *Moffatt.*] You left Hong Kong in 1844; are you aware whether since that time ameliorations have been made with regard to general commercial restrictions?—There were no commercial restrictions then, except this 13th article of the supplementary treaty.

3311. Were not there restrictions with regard to the importation of opium and of provisions?—No, not in June 1844, when I ceased to be a Government officer at Hong Kong.

3312. There was no prohibition to the free importation of opium in 1844?—No.

3313. There was no farm of opium at that time?—No.

3314. Nor any farming of provisions?—The public market was let at a fixed rate, which was published in the market-place; every person disposed to sell came there.

3315. They paid a rent for their stalls?—Yes; it was a great public convenience. The Government obtained interest for their outlay, and some allowance for the renewal of the buildings; it was not regarded as a source of revenue.

3316. Are you aware that subsequently to that period the farm system has been introduced into Hong Kong?—I have heard of it.

3317. At the time you knew Hong Kong the sole revenue was derived from land?—Yes, and licences to public houses; but I think the licences were a mere measure of police.

3318. Mr. *Parker.*] Was the migration of merchants from Hong Kong consequent upon any strict enforcement of the 13th article of the treaty, or was it consequent upon the regulations with respect to the internal monopolies of which you complain?—More in consequence of the internal regulations. However, there is a difference of opinion how far the supplemental treaty had effect; no doubt it had some effect.

3319. Mr. *Moffatt.*] Was the registration system in operation when you were in Hong Kong?—No.

3320. Mr. *Parker.*] What is the date of the supplementary treaty, with reference to the commencement of those internal regulations?—I do not recollect. The internal regulations commenced at the latter end of 1844.

3321. Do you know when the supplementary treaty was made?—In 1843.

3322. Mr. *Ewart.*] What is the substance of the 13th article of the treaty, to which you allude?—That Chinese vessels shall not be allowed to come to Hong Kong without a pass from the Chinese government, and that they shall be furnished with a pass from the English Government in going out. The object of that article was, I dare say, with a view of preventing piracy, which was very prevalent at that time.

3323. You imagine that English goods can be smuggled into the ports of China?—No doubt they can, like opium.

3324. Do you think it likely that it will be done?—Yes, wherever it will pay them to do it.

3325. Viscount *Jocelyn.*] What mode do you think would be best of collecting the land revenue?—A long lease and an annual rent.

3326. What term would you call a long lease; 999 years?—Yes, a perpetuity.

3327. Mr. *Moffatt.*] You do not think that 99 years would be satisfactory?—It would be more satisfactory than 75, but I think 999 years would be better.

3328. Mr. *Hawes.*] But the upset price they fixed was fixed with reference to a 75 years' lease?—Yes.

3329. And therefore in the event of any change in the term of years, it would be necessary to review the rent paid?—That would be a matter for the consideration of the Government here, whether the interest of the colony requires it, and whether it will bear it now.

3330. Looking at it simply as a question of value, of course the value would be altered by lengthening the term of the lease?—Then it would amount to the same thing.

3331. Dr. *Bowring.*] Are you aware whether the upset price of the land in Captain Elliott's sales was fixed with reference to a lease in perpetuity?—That was a very different price; 20 *l.* was mentioned as the probable rent of the town lots granted by Mr. Johnson; 10 *l.* was the upset price of the sea frontage sold

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by Captain Elliott; 10 *l.* in fact for that which sold afterwards for 200 *l.* So that it had no reference to the price which the Government obtained for the land. Mr. *C. E. Stewart.* 13 May 1847

3332. Did you hear complaints in the colony with reference to Captain Elliott's grants of land in 1841?—Of course there were great complaints.

3333. Were those complaints pretty general?—Yes; because all were interested one way. I should not say that much importance is to be attached to the mere fact of there being complaints, unless they can be substantiated; I think they can to some extent.

Mr. *Crawford Kerr*, called in; and Examined.

3334. Mr. *Ewart.*] HOW long were you in China, and at which of the ports?—I have been 11 years in China, at Canton, and in Hong Kong. Mr. *Crawford Kerr.*

3335. As a merchant?—Yes.

3336. In what house were you?—Lindsay & Company.

3337. Were you present at the sale of land in January 1844?—Yes.

3338. Will you state the terms of the sale?—At the January sale of 1844, under Sir Henry Pottinger, rents were run up in consequence of parties attending the sale, and purchasing lots without the remotest intention of ever taking up the leases, or expending one farthing on the land. No terms of sale were published; the leases were for the first time read from a rough unfinished document in the sale room by the land agent, no copy having been previously circulated; and indeed the document produced was so interlined and imperfectly finished, that great difficulty was experienced in reading it correctly; and on a party deeply interested in the sale proposing that it should be read over a second time, Mr. Burgass replied in a loud voice, that he was not there with the other Government officers to discuss the leases, but to sell the land. I attended this sale myself, and bid for several lots which I had selected previous to the sale. They were run up by a party to a rate I considered beyond their value, and I was compelled to purchase others. The lots above referred to have never been touched since the day of sale up to the time of my leaving China on the 8th of January, nor has the person who thus run up the rent ever paid one farthing on account of his said purchases. Two of these lots immediately adjoining my property I took over within the last 12 months, paying up the back rents in order to prevent an objectionable party getting possession. The party purchasing at the January sale made the necessary transfers, although never having paid rent or expended one dollar on the land.

3339. Who is that party?—Mr. Stewart.

3340. Do you mean the gentleman who was treasurer?—No; Mr. P. Stewart, at Macao. The lots that I wished to purchase at the sale I could not obtain in consequence of the prices being run up so high by that party.

3341. Mr. *Moffatt.*] Was Mr. Stewart in the employ of the Government?—No; he is resident at Macao.

3342. The Government could not prevent his bidding at the sale?—No.

3343. Mr. *Hawes.*] You say that a document was read in the sale room?—It was an imperfect document, interlined, and several times the party reading it was stopped to correct it; and having stumbled through in the best way he could, a gentleman interested requested that it might be read a second time, that it might be clearly understood, which was refused, in a not very courteous manner.

3344. Had you or had you not a clear notion of the terms of the sale when you purchased or bid for the land?—I had not.

3345. Was there no previous notification of the terms?—None whatever.

3346. You had no means of ascertaining those terms before you went into the sale room?—None.

3347. There was no previous notification in the Gazette?—None as to the terms of the sale.

3348. You feel confident of that?—Yes.

3349. Have you heard the evidence given here by the surveyor-general?—I have.

3350. That there was a public notification 14 days before?—I am not aware of any such document.

Mr. *Crawford Kerr.*

13 May 1847.

3351. Mr. *Ewart.*] Was there any notification?—There was a notification of the sale, but no notification of the terms.

3352. Mr. *Moffatt.*] No terms were stated until you went into the auction room?—No.

3353. Mr. *Hawes.*] Then you purchased, not knowing the terms and conditions of sale?—Except what we learned from the reading of the lease. The terms of the lease were read over by the person selling the land, and it was such a rough document, and so imperfect, that frequently parts read were struck out, and he had to go back.

3354. The biddings at the sale were tolerably eager, were they not?—Very.

3355. Notwithstanding the imperfect knowledge that parties had of the terms of the lease?—There was great anxiety to get land.

3356. Mr. *Parker.*] Did any alterations take place to suit the convenience and wishes, or to meet the objections of the parties?—Certainly not; some alterations seemed to have been made on the document previously to the parties going into the sale room.

3357. Mr. *Ewart.*] Was there any subsequent proceeding which might enable you to ascertain the conditions of the sale?—By taking up the leases. Up to the time of my leaving in January in the present year, I had taken up none of my leases, either of the land bought at Captain Elliott's sale or at the sale in January 1844.

3358. And you did not know the conditions?—I had seen the leases.

3359. You had paid the rent, but you had not taken a lease?—No.

3360. Mr. *Moffatt.*] You had not signed the lease, and therefore until you signed the lease you consider that you are not bound for the payment of the rent?—Certainly not.

3361. Mr. *Parker.*] Did you go to the Land-office yourself to make any inquiry as to the terms, previously to the sale?—I did not.

3362. Mr. *Moffatt.*] Was not there a kind of scramble for the lots?—Great eagerness.

Mr. *Alexander Thomas Gordon,* further Examined.

Mr. *A. T. Gordon.*

3363. Mr. *Hawes.*] WITH regard to the notification of the terms of the sale, can you state anything to the Committee?—If the Committee have the power of referring to the Gazette, they will see that the notification is dated the 12th of December; and in the Gazette of the 14th of December it was notified that the terms of the sale might be seen at my office 14 days prior to the sale.

3364. Mr. *Ewart.*] Were the terms of the sale specified in the notification?—No.

3365. Was the power of inspecting them at the office announced in the notification?—Yes.

3366. Viscount *Jocelyn.*] Did any persons take advantage of that power?—Yes.

3367. Previously to the day of sale?—Yes.

3368. Dr. *Bowring.*] Were any alterations made in the office in the conditions of sale after the first document was first prepared?—I am not aware of it. I was not in the room when it was read. It was read by the legal adviser.

3369. Did Mr. Kerr make any previous application to you for the terms of the sale?—I do not recollect.

3370. Mr. *Ewart.*] You have stated that some persons did make application?—Yes.

3371. Were they furnished with a printed statement of the terms of sale?—No. A copy of the lease was lying in the office, and they had an opportunity of reading it if they wished; but I think it is probable that they were satisfied with what I told them. Many gentlemen asked me without coming to my office. All that I meant to say was, that a notification was made that the terms might be had at my office.

3372. The terms were orally communicated by you, not writtten down?—No, I did not write down anything upon the subject. I merely had a copy of the lease lying at my office.

3373. Dr. *Bowring.*] Do you recollect any instance of persons applying at your office and looking through the details of the lease?—I do.

3374. Examining the document itself?—Reading part of it.

Mr. *Crawford Kerr*, further Examined.



3375. Dr. *Bowring*.] ARE you a partner in the house of Lindsay & Company?—I am.

3376. Mr. *Ewart*.] You have heard the evidence with regard to Hong Kong and the state of its trade; do you agree in that evidence?—I certainly confirm it.

3377. And as to the causes assigned for its decay?—I assign it chiefly to the high ground rents, the farming of opium, and other articles of general consumption, and the abuses of our police there.

3378. And the restrictions upon trade with the coast of China?—And the restrictions upon trade with the coast of China.

3379. Mr. *Moffatt*.] And the registration?—And the registration.

3380. Sir *G. Staunton*.] Do you think the police system and the registration system very objectionable?—Very objectionable to the Chinese, certainly.

3381. Do you think that, consistently with the character of the population of Hong Kong, an efficient police system could be established that would be more satisfactory, and more consistent with the prosperity of the colony?—That is a question which I am not prepared to answer.

3382. Considering the nature of the population, is not a very strict system absolutely necessary?—I do not believe that there is one respectable Chinaman in the island at present; we have all the sweepings of the country; they are the lowest of the low.

3383. Dr. *Bowring*.] Do you attribute that to the existing system?—You can get no respectable Chinamen to remain on the island; the few that are there are the head servants of the principal houses.

3384. Mr. *Ewart*.] What proportion of the population are Chinese?—I am not prepared to say.

3385. Sir *G. Staunton*.] Do not you think that under any system Hong Kong would be the resort of lawless and insubordinate persons?—I should say so.

3386. Therefore it would be necessary that some strict regulations should be established?—I should say so.

3387. Mr. *Hawes*.] Do you attribute the driving away of respectable Chinese rather to the operation of the registration ordinance than to the police?—I should say chiefly to the police.

3388. In what respect does that affect the respectable Chinese especially?—We have never had any respectable Chinese in the island; they have never come to settle there. A man of the name of Chainam had a hong there, and had a trifling business there for some time; but he has since died.

3389. You do not mean that you would give up police altogether?—Certainly not.

3390. What system of police would you suggest that would be inoffensive to the Chinese?—That is a question I am not prepared to answer.

3391. Sir *G. Staunton*.] It does not occur to you that any system of police could be established, which would efficiently control ill-disposed persons, and yet not discourage respectable Chinese inhabitants from visiting the colony?—I know that frequent complaints have been made to me by Chinamen of the police. We had a comprador who had lived with us 10 years; he came to me one day, and said he was to be had up before Major Caine; that he had been threatened by an English policeman. I inquired into the matter, and I represented it to Major Caine, and I said that there was a general complaint amongst the Chinese of the English police extorting money from them by holding out threats, and that I thought it was likely to prevent a respectable class of Chinese settling in the island. No notice was taken of it, but the man was reprimanded, and told he had done wrong. That man afterwards refused to remain, and is now in Canton, though he had been our head servant 10 years.

3392. Mr. *Ewart*.] If there was a really good police, would that prevent the Chinese from coming to Hong Kong?—I should say not.

3393. Do you think they would come there?—At present there is no trade whatever at Hong Kong; previous to the farming of the opium there was a small trade springing up at Hong Kong. I have frequently sold 5, 10, 15, or even 20 chests of opium in a day at Hong Kong.

*Robert Moffatt*, Esq., called in; and Examined.

*R. Moffatt*, Esq.

13 May 1847.

3394. Mr. *Ewart.*] YOU have been in the tea trade?—A tea-broker.

3395. How many years?—Upwards of 20 years.

3396. Have you had much experience of the sorts of tea used by different classes of consumers in the course of your trade?—Yes.

3397. Have you had such experience as to enable you to state the quality of tea consumed by the poor?—I consider them, generally speaking, consumers of a better class of tea, rather than of the lower qualities.

3398. What is the quality of Bohea tea imported now, and what was the quality of Bohea tea imported by the East India Company under their monopoly?—They are very different articles indeed. That under the East India Company was a coarse, rank-flavoured, but good wholesome tea, and had a considerable quantity of Congou broken up into it. The Bohea imported under the free trade is an earthy, low, faint tea, that can scarcely be called wholesome.

3399. Can you state what was the consumption of Bohea under the rated duty of 1 *s.* 6 *d.* when the triple rate existed, and what was its increase as compared with that of Congou during the prevalence of the rated duty?—The increase in 1835 upon that of 1834 was only about 200,000 lbs. The consumption in 1834 was 6,200,000 lbs.; in 1835, 6,400,000 lbs., giving an increase of about 3½ per cent; while the consumption of Congou in 1834 was 19,900,000 lbs., and in 1835 22,000,000 lbs., giving an increase of 10 per cent. upon Congou in the second year of free trade, as against 3½ per cent. of Bohea under the rated duty.

3400. Mr. *Moffatt.*] What were the relative rates of duty at that time on Congou and Bohea?—1 *s.* 6 *d.* and 2 *s.* 2 *d.*

3401. Mr. *Ewart.*] What was the price of plain Bohea in 1835 relatively with the price of low Congou?—2 *s.* 4½ *d.* duty paid against 3 *s.* 2 *d.* duty paid Congou. Congou was 1 *s.* a pound, and 2 *s.* 2 *d.* duty; Bohea was 10 *d.* and 1 *s.* 6 *d.* duty, giving a difference of about 9½ *d.* a pound to the encouragement of Bohea, under which preference it increased only 3½ per cent., as against an increase in Congou of 10 per cent.; showing clearly, that at that early period, the taste of the public was for a better class of tea.

3402. What was the consumption of Bohea under the East India Company, relatively to Congou?—Very considerable; I should say about 6,000,000, as against 18,000,000 lbs. of Congou, that is including the Fokien Bohea, which was ordinary Congou.

3403. Then there was a kind of intermingling of Congou and Bohea, under the East India Company, and a good deal of what was really Congou passed as Bohea?—Yes, and was charactered by the company as Congou tea.

3404. Mr. *Hawes.*] And now it is very much the reverse?—Now tea which was called Bohea, is brought in as Congou.

3405. Mr. *Ewart.*] They are now restored to their true character; that is called Congou which is really Congou, and is no longer placed under the head of Bohea?—Yes. In addition to that, the Bohea which we import now, no longer contains any portion of Congou.

3406. Do you apprehend that it would be very difficult to draw a distinction, by either an *ad valorem* or a rated duty, between different kinds of tea?—Impossible; I cannot imagine any scheme by which it would be practicable, except by a most tyrannical proceeding on the part of Government, of compelling merchants to adopt a forced system of public sale. Indeed, that would only drive persons to collusion and to fraud, and there would be great loss on the part of the revenue.

3407. Mr. *Hawes.*] In fact, the merchant would have to abide by the decision of the Government officer?—Yes; and that would not be the only loss; he would miss contracts for teas brought early to market, from the immense delay there must be before we could get the decision of the Government inspector. We find even now, for the mere mechanical purpose of taring, that the Government officers are often quite unequal to the amount of duty they have to do. We are continually on the point of losing contracts for merchants, because we cannot give answers as to tares, the landing surveyors having more work than they can get through.

3408. Mr. *Ewart.*] Do you know under what system of duty Bohea tea is admitted on the Continent?—I am not fully acquainted with the continental duties. In Hamburg there is no duty, I believe. In Holland, I think, there are three or four rates of duty, but not as to quality, but simply as to the flag, according to whether it comes in a national ship direct, or a non-national direct, and so forth; but there is no variation of rates, I believe, based upon quality.

3409. Have buyers on the Continent, where there is not a uniform duty, purchased freely Bohea tea from England?—No; they have cleared our stocks off very slowly. What has been delivered, has been all for export; but if they esteemed Bohea tea as some parties appear to do, who fancy that we are shutting out from the poor, a valuable tea at a low price; if on the Continent, where they are unrestricted by a uniform duty, they esteemed Bohea tea, as they say we ought to esteem it here, our stock of it would long since have been exhausted. All that is got rid of is by export, but it goes off very slowly. The price of Bohea at 2 *s.* 2 *d.* duty is at present within three farthings a pound what it was under the scale duty; the price of Bohea has so declined, and yet not a pound of it is taken for home use.

3410. Dr. *Bowring.*] What is the present amount of the stock of Bohea?—Something under 200,000 lbs. weight.

3411. Mr. *Ewart.*] As regards green teas, it has been stated that Twankays and Hyson Skins were in use in 1832 to the extent of 4,633,000 lbs, and that they have declined in consumption, in 1846, to 2,825,000 lbs., whilst of fine teas, or what should have been high duty-paying teas, namely, Hyson, Young Hyson, Imperial, and Gunpowder, of which in 1832 only 1,245,000 lbs. were used, in 1846, 6,667,000 lbs. were consumed; can you give the Committee any information as to those relative consumptions of green teas?—A large quantity of the green tea used in 1832 was of common kind, compared with that of fine or high duty-paying tea. The reason would be very evident, if reference were made to any Price Current. Of Hyson, Young Hyson, and Gunpowder we have now prices beginning very low, Young Hyson at 5 *d.* a pound. Of the great mass of the increase of last year's clearance, 6,600,000 lbs., I think perhaps nearly three-fourths would be found to consist of Twankay, or a lower quality of tea, transmuted into these superior forms, and therefore of course not now consumed as Twankay, but displacing it to that extent.

3412. Mr. *Moffatt.*] But still consumed under other names?—Yes.

3413. Mr. *Ewart.*] What was formerly consumed as Twankay is now consumed under another name?—Yes. The great mass of the green teas are low-priced teas, 9 *d.* and 10 *d.* a pound.

3414. Therefore do you deny the inference that high-duty tea has increased in consumption?—No, I should not deny that inference; but I have shown that as to anything like the extent that has been asserted, it is quite fallacious. Evidently a uniform duty has a tendency to increase the use of the better class of tea, and to discourage, to a certain extent, the commoner, because people get, at a very small additional price, the better sorts of tea. If any calculation were based upon such a statement as that, that in 1832 there was a large amount, 4,600,000 lbs. of low-priced tea used, and now only 2,800,000 lbs., while of high duty-paying teas there was in 1832 only 1,200,000 lbs., and now 6,600,000 lbs., it would be a most erroneous calculation, inasmuch as three-fourths perhaps of that 6,600,000 lbs. is the same tea that formerly paid the low duty.

3415. Mr. *Hawes.*] The difficulty felt with regard to the rated duty was it not this, that it was impossible to distinguish superior Bohea from inferior Congou?—Yes, that was the principal but not only difficulty.

3416. Is it the fact that a great deal of the superior class of Bohea now passes under the name of Congou?—Decidedly; all the better class of Bohea.

3417. Therefore, when it is said that the superior classes of teas have increased in consumption, the truth is that a great deal of what was then called by the name of the inferior class, is now deemed to be of the superior class?—Decidedly.

3418. Mr. *Ewart.*] And extends to green teas as well as to black teas?—Particularly to green teas at present.

R. *Moffatt*, Esq.

13 May 1847.

3419. To Twankay, Hyson, Young Hyson, and Gunpowder, as well as Congou and Bohea?—Yes.

3420. Viscount *Jocelyn.*] You think that it would be very difficult to draw a distinction between the higher classes of Bohea and the lower classes of Congou tea in a differential duty?—I deem it to be impossible. There is a point at which they merge; we could not have pretended to do it at any time, but that we had before us the qualities which the Company used to class as Fokien Bohea; the trade and brokers acting for the merchants, considered that they had a right to take that standard as the standard of Bohea. To carry out such a scale as that, would be now perfectly impossible, without doing the greatest injustice to the merchant, or running the chance of great frauds upon the revenue.

3421. You do not believe that by a duty of that kind the poorer classes would be materially benefited by the introduction of an increased quantity of tea at a lower price?—I think not. I think the poor are in the habit of taking good tea; they will save in other things and take a better class of tea: in my opinion they are by no means, either exclusively or to any large extent, consumers of common tea.

3422. Are you able to speak to the increased consumption of coffee?—Not at all.

3423. Mr. *Hawes.*] Or of sugar?—Nor of sugar, except that it is plain that as there is an increase in the use of tea, it must increase the use of sugar. There are comparatively few people, I imagine, who take tea without sugar.

3424. Has there been anything like an increase of sugar proportionate to the increased consumption of tea?—I have never given any attention to that subject. I should think it impossible that it should be otherwise.

3425. Dr. *Bowring.*] You have stated that there is a great improvement in the general qualities of the teas now imported. Is that improvement still going on?—Yes, we have a very decided improvement upon what we had under the Company. There is one disadvantage, that it is not of so fine a keeping property as it was before.

3426. You think that the public taste is now better able to appreciate the improved quality of tea?—Decidedly, and they have a better inclination for such improved qualities of tea.

3427. Mr. *Ewart.*] Have the prices of the been tolerably uniform since the opening of the trade?—Anything but uniform; we had a long interruption from our disturbed relations with China which gave us very unsettled prices; there has been anything like uniformity of price.

3428. If any witness has asserted that they have been uniform, you would deny that assertion?—I should say that I think he could have known nothing about the tea trade to have had that notion.

3429. You have given an opinion as to the inexpediency of a rated or *ad valorem* duty; do you wish to develope that subject further?—I think, if I might venture to say so, that the great thing the Committee should confine their attention to would be, to know whether it is or is not practicable in any way; I grant that it would be a desirable principle to adopt, if at the first starting point you had not to put such shackles upon commerce, as have never yet been put upon it, and such as no merchants, at least such as our present China merchants, could think of carrying on the trade under; you must have another set of men for the trade. I think I have seen continual reference made to the rated duties in America; you would want merchants equal to the Americans in sharpness, to deal with an *ad valorem* or rated duty, or at least by such machinery would soon create them.

3430. Mr. *Hawes.*] It would be a good principle to apply to every article of import if it could be done?—I should say so; not that I think that as a matter of revenue it would be good; I question whether it would be as advantageous as a fixed duty, which encourages the consumption of good qualities, and therefore assists the revenue by increased use arising from more approved kinds.

3431. Mr. *Ewart.*] As a merchant do you think that there could be a mode of levying *ad valorem* or rated duties established by means of a compulsory public auction?—I think it is utterly impossible; I have seen something said about the power of Government to seize the tea when it is valued below its supposed worth; I think they would need very good inspectors to see that we did not soon make good contracts with them upon that point.

3432. Dr. *Bowring.*] You think that whatever may be the recommendation abstractedly, of an *ad valorem* duty, its application is impossible?—Entirely so.

3433. *Chairman.*] If it be insinuated that the tea brokers or dealers have an interest in any way as to how the tea duty should be levied, should you admit that to be a fair implication?—Most certainly not; the tea brokers have only so far an interest in keeping a uniform rate, that it relieves them from a great deal of unfair anxiety and responsibility in carrying out their duty to the merchant; but beyond that, they have no interest in the way of levying the duty. I am sorry to find that in the tea trade (I think it is a reproach to them) they are rather, by self-interest, inclined to maintain the present high rate of duty than to reduce it. I think they feel that there would be more competition, and that the public does not now get the full advantage of low prices that they would, if there was less capital required. I think that our trade, respectable as they are, look too closely to self interest, and take a false estimate of it. They think that a reduction of duty would tend to throw it open to competition and to give the public the benefit of such increased competition; it would be so, but the rivalry would be upon a very largely increased quantity.

3434. Mr. *Moffatt.*] You have had some experience with regard to buyers of tea from Germany?—Yes.

3435. Do you find that in Germany the demand is for the lower sorts of tea; for Bohea tea?—None of it is supplied to Germany.

3436. Although they can obtain it without duty, they do not take Bohea tea?—They do not; it is chiefly, I believe, got rid of in ship stores, and perhaps there may be occasionally a parcel shipped to Canada.

3437. Mr. *Ewart.*] Do you know whether tea is consumed by the poorer classes in Germany?—I do not think they take any Bohea in Germany; I think the consumption of tea in Germany, is of a superior article, by a superior class.

3438. Viscount *Jocelyn.*] Is the demand for tea from hence increasing abroad?—It varies according to circumstances. If the markets in China do not induce the merchants on the Continent to enter upon an active trade with China, they get their supply of tea here. It has been said that we have been opening an export trade; it has been at the cost of the merchants, by supplying the Continent at heavy losses upon the rates paid in China.

3439. Are you able to state whether we are able to compete in the sale of teas with the Dutch in neutral markets?—The Dutch do not buy their teas so well as we do.

3440. Mr. *Moffatt.*] Do not we largely supply the Dutch?—Yes, very considerably.

3441. Mr. *Ewart.*] Would lowering the duty on tea to 1*s.* tend, in your opinion, to make this country a great entrepôt for tea to which other countries would come?—I think it would have that effect in part.

3442. There would be a greater choice here than anywhere else?—There would. It is now the best assorted market; though I do not quite entertain the same views as some parties upon that subject. If you reduce the duty you may possibly, in some kinds of tea, not leave them so open to the Continental markets as they are at present, because they will find a more ready consumption here.

3443. But where there are the most buyers there would be the greatest choice?—No doubt.

3444. Dr. *Bowring.*] And there would be a greater variety and a better supply here?—Yes.

3445. London is incomparably the largest depôt for tea in the world?—Quite.

3446. Mr. *Moffatt.*] It has been stated to this Committee that the increased consumption of tea in the last 13 years has not more than kept pace with the increased population of the country. Do you recognise that as a fact?—I do not know the extent of the increase of population.

3447. Will you state the increase in the consumption of tea in the last 13 years. Will you take the year 1834, and compare it with the last year?—The consumption in 1834 was 33,000,000 lbs.; in 1846 it was 47,500,000 lbs., giving an increase of about 44 per cent. during the period of the free trade. I presume no population returns have gone on in that proportion.

3448. Mr. *Parker.*] Have you ever considered how many years it would take to bring up the revenue to its present state if the duty on tea were

*R. Moffatt*, Esq.

13 May 1847.

reduced to 1 *s.*?—People's notions differ so widely upon that point; I have not gone into any abstruse calculations upon it; you would no doubt have a large increase, but I am perhaps not so sanguine as some persons are as to that; I should say you would have an increase of not less than 20 per cent. in the first year.

3449. Mr. *Moffatt.*] Do you think that the subsequent years would go on increasing in the same ratio?—I do; I take a more hopeful view, upon this ground: you have large masses of the population that scarcely now know what tea is by use; it is not that people that take it now would use so much more of it, but new masses of the population, that do not take it at all now, will use it.

3450. Mr. *Parker.*] I collect your opinion to be, that the probable increase the first year would be 20 per cent.; but you are not sanguine enough to expect a very early resumption of the present amount of revenue?—I think it will take some time to fully restore it, and it will depend also upon how much you might get from the increase of sugar.

3451. Though nobody disputes the great advantage, both to the commerce of this country and to the consumers, of a very considerable reduction in the price of tea, still you are aware that those who have to administer the finances would be under the necessity of supplying the vacuum occasioned by the loss of revenue, and would be compelled for that purpose to have recourse to taxation from some other source?—It was originally intended that Government should get from tea the same revenue as by the scale duty; but there has been a great increase within the last 13 years, an increase of 50 per cent. and upwards. It was understood that if they could get the same amount of revenue as before they would be satisfied. The China trade has been a most unproductive trade during that time.

3452. But taking the matter as it now stands, and looking at the state of the revenue at present, and looking at what the deficiency may be for this year, can you contemplate a sufficient intrepidity on the part of those who manage the finances to agree to give a reduction of the tea duty, without looking to some other quarter for additional taxation?—No; I dare say it would take three or four years to bring up the revenue.

3453. In other words, that means additional taxation?—It would be for the Government to consider whether the China trade, so important a trade, is fairly dealt with, to be so narrowed and restricted as it is, by the present exorbitant duty.

3454. To come to financial English, will not the Minister who proposes a reduction in the duty on tea to the amount now proposed of 1 *s.* in the pound, the day that he proposes that in the House of Commons have to announce new taxes?—I cannot say what his arrangements may be; he will make a popular proposition when he proposes a reduction in the tea duty.

3455. Mr. *Ewart.*] Suppose there is a surplus revenue?—Then of course he will not have to impose new taxes.

3456. And the consumption of sugar would be materially increased?—Yes.

3457. Therefore all those things are to be taken into consideration?—Yes.

3458. Mr. *Moffatt.*] Is it within your experience that as the price of tea has diminished, so the quantity demanded has increased?—Unquestionably.

3459. Dr. *Bowring.*] Have you formed any estimate of the proportions between the tea-drinking and the non-tea-drinking population?—I have not.

Mr. *Samuel Rawson*, called in; and Examined.

Mr. *S. Rawson.*

3460. Mr. *Ewart.*] IN what capacity have you been in China?—A merchant.

3461. Where?—I have been principally in Hong Kong and at Canton, but also in the northern ports.

3462. What is the name of your firm?—Blenkin, Rawson, & Company.

3463. When were you in China?—I made two visits there, the first in 1838, and the last in 1844.

3464. What is the state of Hong Kong at present?—Most of the firms who purchased land originally, both under Captain Elliott's sale and from Sir Henry Pottinger, are thinking of leaving the colony and taking up their quarters again at Canton. The only reason why many of them have not already done so, ourselves among the number, was, that until our new go-downs or houses were built in Canton, it was impossible to do so on account of the want of security against

against fire. Now that the houses are finished in Canton, I think it is exceedingly probable, unless some improvement takes place in the condition of Hong Kong, that most of the firms will leave, especially those interested in the English trade only.

3465. What are the causes of complaint in Hong Kong?—The great cause has been the restrictions in financial matters, occasioned by a wish to make the colony pay its own expenses, which, with so small an English community as there is there, it is almost impossible to expect it to do. Then again many of the Government regulations have been carried out very much against the wish both of the English residents and of the Chinese. Amongst many points one which I think has acted a good deal in keeping the Chinamen away has been, inflicting fines as a punishment. The Chinese are not able to discriminate between a fine and what they call a "squeezing" by the mandarins; and in many instances I have heard, in Canton, complaints made that the Government officers were in the receipt of bribes, which was easily explained by their idea, that the fine which goes to the Queen went into the officer's own pocket. Also, the Registration Act has caused many parties to leave the island; and the Branding Act also has had a similar effect, under which any member of a secret society was to be branded on the left cheek; that Act has not been confirmed, but it had a very bad effect in alarming the Chinese. Then the system of punishment by cutting off tails, which I believe is now put an end to, but which was carried to an enormous extent at Hong Kong, also had an effect. I think that the Chinese police were not very worthy of belief, and unfortunate prisoners were punished a good deal upon their evidence, without in all cases being justly punished.

3466. Has land much deteriorated in value at Hong Kong?—Very much indeed. As a proof of it, in 1844 I was an agent to look after some buildings which had been erected, the first buildings erected in Hong Kong, called the Albany Go-downs, belonging to my partner and two other gentlemen, who joined together in building those go-downs to receive goods. In the year 1844, I received rent from different parties amounting to 7,000 dollars; and by the last mail I received a letter from Mr. Blenkin, stating that rather than pay the rent and sign the lease, he had thrown this up to the Government. I may mention, with reference to the lease, that the land was purchased at the original sale, not of Sir Henry Pottinger, but of Captain Elliott, in May 1841; and one great complaint which the original holders have, is, that after being obliged by Captain Elliott's proclamation to expend ten times the amount of the rent in the first year, the only part of the agreement which has been held good by the Government, since Captain Elliott left, has been the amount of rent. In the first place, the land was bought from Captain Elliott, and by this proclamation it was to be held in perpetuity, and with every idea of its being held as a freehold. Captain Elliott was so much struck with the very high price which was given at the first sale, that he afterwards wrote a circular to the merchants, to say that he thought it would be better to recommend the British Government to consider that as a quit-rent, and that it should be a freehold on the payment of a small quit-rent. I have the two proclamations of Captain Elliott. The first is only the notice of the sale. It says: "Each allotment to be put up at public auction, at a certain up-set rate of quit-rent, and to be disposed of to the highest bidder. But it is engaged upon the part of Her Majesty's Government, that persons taking land upon these terms shall have the privilege of purchasing in freehold (if that tenure shall hereafter be offered by Her Majesty's Government), or of continuing to hold upon the original quit-rent, if that condition be better liked." This took place on the 1st of May, and on the 17th of June subsequently, at the sale, Captain Elliott wrote a circular, addressed to Messrs. Jardine, Matheson & Company, Messrs. Dent & Company, and other merchants, in which he says: "Having had under my consideration the particulars of the first sales of lots at Hong Kong on the 14th instant, I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of my purpose to move Her Majesty's Government either to pass the lands in fee-simple for one or two years' purchase at the late rates, or to charge them in future with no more than a nominal quit-rent if that tenure continues to obtain."

3467. What are the Post-office arrangements in Hong Kong?—The part which I wish to bring to the notice of the Committee is the new arrangement

Mr. *S. Rawson.*

10 May 1847.

which has been ordered from the authorities in England, which I think will work exceedingly badly, situate as we are, having only Chinese servants, who are not to be very much depended upon with money. Some years ago we had great complaints to make of the Post-office; the last few years it has been improved. A system has obtained of each firm lodging a book with the Post-office, and at the same time depositing a certain amount of money to pay for any letters arriving, as they should arrive; and we sent twice a day to receive our letters, and they were debited in the book. By the new order, this system is to be completely done away, and we are to send the money at each application for the letters. Now, as any Chinese servant whom we could send there, if we sent money with him to pay the postage of the letters, would pocket the money and destroy the letters, and would run away, if we sent a large amount, which we often have to do on the arrival of the overland mail, I think we shall find that that will work very injuriously indeed with the Post-office.

3468. Have you made any remonstrance upon the subject?—The news of it only came home by the last mail. It has caused very great excitement in China; I think there will be a remonstrance upon it from China.

3469. Mr. *Moffatt.*] A remonstrance from the merchants engaged in the China trade to the Postmaster-general here would set that right, would not it?—The order emanates from the Postmaster-general here, who evidently does not understand it; it is an attempt to introduce the English system into Hong Kong.

3470. *Chairman.*] What are the inconveniences arising from the restrictions as to trade which you suffer at Canton?—Our community since the war has increased I should think tenfold, since 1838, but we are even more limited in space in Canton for residences than we were in former years; and as to any liberty in the country round Canton which we formerly had, it is infinitely less than we had before. In many instances I have been, in former days, 10 or 12 miles into the interior; now we cannot go a few hundred yards.

3471. Sir *G. Staunton.*] Is that a regulation of the government?—It is not a regulation of the government. Canton is the only port open to us at which no consular order has been given. At all the other ports there has been some limit fixed, except at Canton. In fact, our own safety is a good limit, because we dare not go many hundred yards from the factory.

3472. Is there no intention of fixing a limit at Canton?—It is solely dependent, I believe, upon the Chinese government being able to feel that they can give us protection in granting us that liberty.

3473. But there is no limit fixed by regulation?—None. In the rest of the ports a certain limit has been established. In Shang-hai we can go 24 hours distance from Shang-hai, and at Ningpo I believe there is no restriction.

3474. Dr. *Bowring.*] Is not a licence granted by the consul respected by the Chinese authorities?—I have never heard any question about going into the interior at Canton, but it is only about going into Canton itself. At Shang-hai I was away six or eight days myself with Mr. Thom. I was there at the time that the French ambassador was there, and we formed a party and went to the temples.

3475. To what part did you go?—To a large temple.

3476. What distance from the port?—I should think 80 miles.

3477. Mr. *Ewart.*] Do you agree with those witnesses who have said that the consul would interfere with British subjects going into the interior?—I think not, unless complaints were made by the Chinese authorities.

3478. If it has been stated that Americans and French have greater liberty than English subjects of going into the interior, should you agree to that statement?—No; I think the English can go anywhere where Americans or French can go.

3479. Do you speak of the other ports besides Canton?—Yes; I should say that there is not the slightest difference; in fact, in Shang-hai, there is an American house, but there has been very little communication with the authorities there as to obtaining any privileges.

3480. Are not you restricted to one day's journey in those ports?—We are obliged to return to Shang-hai within 24 hours.

3481. Is a foreigner, who is not an Englishman, restricted in the same way?—I have not heard that. I believe one of the French embassy managed to get up as far as Sootchoo, but it was done under the dress of a Chinaman.

3482. Dr. *Bowring.*] At the end of 24 hours are you obliged to show yourselves

selves at the office of the consulate?—No. There is a penalty attached to it. If you are made prisoner, or in any way discovered, you are subject to a penalty of 200 dollars.

3483. Sir *G. Staunton.*] But notwithstanding the grievances and impediments which British subjects now suffer at Canton, you still think that many commercial houses will withdraw from Hong Kong to Canton if the present state of things continues?—Decidedly.

3484. *Chairman.*] What is the space at Canton to which you are limited?—I should think not more than 400 yards square.

3485. Viscount *Jocelyn.*] Have you ever found any difficulty in getting into the city?—Yes, I have been stopped several times; I know friends who in several instances have been annoyed.

3486. Do you think generally that it is owing to the want of power on the part of the Chinese authorities?—It appears from the official communications from Sir John Davis, that they are willing to grant it if they have power to keep the mob quiet, but immediately you get within 10 or 20 yards of the gates you have a mob round you.

3487. Do you think that the Chinese mob have been ever unnecessarily irritated by the conduct of Europeans?—I have never seen an instance of it.

3488. Sir *G. Staunton.*] Is not it usual still for the English to visit the great temple across the water in the Fantee gardens?—I had a letter from my partner by the mail before last, which stated that it was not safe to go across to Honan, in consequence of the mob being so excited.

3489. The excitement seems to be growing?—Yes, it seems to be increasing every year. Having our boats we can go up to the gardens, and we do not get among such a crowd as we do at Honan. I have not heard of any of our boats being stopped.

3490. *Chairman.*] Do you find any danger from fire, arising from the confined space to which you are restricted?—Decidedly. In all the old hongs. Since the war, there is only one part of the original factories left; the British, Dutch, Spanish, and two or three other hongs, have all been destroyed by fire. Now the ground is held by lease, which the British Government take from the Chinese themselves; they have underlet it to us, and under certain restrictions houses have been built there, which we hope will save us from the danger of fire; but the land is so confined, and the applications for land so numerous, that though we took a lease from Mr. Macgregor, the consul at Canton, of a piece of land there, we have not the slightest piece of land available for making a go-down; it is entirely occupied by the house, and all goods coming up to Canton must be put into the hands of native Chinese. And by the last mail we had a strong instance of the insecurity ofthat by the failure of two of the Chinese merchants, Fotoe and Aming, the former of whom has been doing a large trade since the close of the war; and it has been discovered that he has been pawning goods, and has received money for many years for goods which were considered to be lying safe in his go-down, and as we have no check to anything of that sort they could not know whether the goods were there.

3491. So that the property is out of your hands and out of your supervision?—Entirely.

3492. Sir *G. Staunton.*] Do you think it would be practicable for the Chinese Government to redress those grievances if more urgent demands were made upon them by the British authorities?—Decidedly. I do not think any application has been made by the British officers there for any extension of the privileges as to land.

3493. Application has been made for entrance into the city?—Yes, but not for greater space for residences. It was generally supposed that Sir Henry Pottinger was anxious to encourage Hong Kong by not attempting to remove the difficulties at Canton.

3494. But you think that if urgent demands were made, it would be in the power of the government to improve our position very much?—By the treaty the Chinese are bound to supply any land which is required for residences or

Mr. *S. Rawson.*

13 May 1847.

3495. Therefore the treaty is not fairly fulfilled at Canton?—No; at the present moment, by a private subscription in Canton a salary has been raised for a clergyman for Canton, by the residents there, but we have not the slightest idea where space can be found for a church.

3496. Therefore the British residents suffer not merely from the violence of the people, but from the neglect of the government?—Yes; to provide sufficient space.

3497. *Chairman.*] Are there any consular restrictions of which you complain as inconvenient to commerce?—There is one particularly, and that only obtains at Canton, a refusal to allow the export manifests of ships to be seen. The imports are allowed, but the export manifests are not allowed to be copied at the consulate; in fact we do not know the state of the exports of various articles from China till after the annual statements are made up. Now, at all other ports by going to the consulate you can get the manifest of each ship.

3498. What is the advantage of that?—It has been considered such a great advantage in tea, that each house sends circulars round for mutual benefit, as we cannot get it from the consulate. With reference to other articles, it is not done yet. Every party must see, that in carrying on a trade, it is necessary to be aware what has been shipped recently.

3499. Has any reason been assigned by the consul for refusing it?—Not at all; I believe that Captain Balfour at Shang-hai, adopted the plan on his own responsibility, of showing the manifests. I heard that it had not been approved of; but it is carried out.

3500. Dr. *Bowring.*] Is it something like a daily list of exports and imports, published by the Custom House here?—No; it is that each merchant sending to the consulate, should have the privilege of seeing the export manifest of each ship.

3501. Mr. *Moffatt.*] That would be fair with regard to the quantities, but not the names of the consignors or consignees?—Simply the quantities.

3502. Was that objected to?—It has never been granted to us at Canton.

3503. Used it to be granted at Canton?—We had no official documents.

3504. The Chamber of Commerce used to publish those documents?—Yes. For all the tea shipments there are circulars sent round by each house, and that is found a mutual benefit to the trade, but it would give too much trouble to do the same with other articles.

3505. Mr. *Hawes.*] Do you concur in the evidence of those witnesses who consider that there has not been sufficient protection to the British residents at Canton?—Decidedly; and I am glad to find now, that upon a remonstrance having been made, orders have been sent out for a steamer to be stationed constantly at Canton. Certainly the transit even between Canton and Hong Kong is in the most terrible state. My own partner was beset about two months ago by pirates, in going from Canton to Hong Kong, and they were within 50 yards of them, but they managed to reach a junk. Almost every week we hear of boats being attacked.

3506. *Chairman.*] Do you think that a small war-steamer would be enough?—Yes; I do not think the Chinamen would come near her.

3507. Dr. *Bowring.*] Does any steamer ply for passengers between Canton and Hong Kong?—There have been two sent out, but they both draw too much water for Canton river near the factories; they run very irregularly, so that there can be no dependence upon them, if you want to go upon a certain day, in consequence of their getting aground.

3508. How are the mails conveyed from Hong Kong to Canton?—I believe just as they can be.

3509. Mr. *Moffatt.*] There is no regular system?—No system. The only regular system in Hong Kong with regard to the post-office seems to be to collect as much money as they can, and to spend as little. Even for the delivery of letters, we have to pay the coolies who do it, although a very heavy postage is paid. The post-office employ coolies, but we have to pay two dollars a month each house for delivering the letters.

3510. Dr. *Bowring.*] Independently of the delivery of the letters in Hong Kong, do you consider the correspondence exposed to danger between Hong Kong and Canton in the existing state of things?—Very much. There is no arrangement

arrangement of the Government for the transit of the letters. The merchants dispatch a fast boat each night from each place at a very large expense.

3511. An armed boat?—Not sufficient to protect any property; but the pirates know that there is nothing goes with them except letters, and those would not be of sufficient value for any Chinaman to run the risk of attacking a boat of that sort. We have not had an instance of any fast boat being attacked.

3512. In how many hours does a fast boat pass from Hong Kong to Canton?—It depends upon the wind and tide. I have been myself 80 hours; at other times I have gone in 10 or 12.

3513. Mr. *Ewart.*] A steamer would be a great advantage?—A very great advantage.

3514. How long would a steamer take?—About eight or nine hours. It is only 80 miles, mostly in the river.

3515. There would be no danger of the pirates attacking a steamer?—Not the slightest.

3516. Viscount *Jocelyn.*] We have had evidence that it is thought advisable for the security of English merchants at Canton to keep a man-of-war in the river; do you believe that that is necessary?—I think it is absolutely necessary; but I think the river hardly defines the limit to which it should extend. I do not think that a man-of-war, stationed at Whampoa, is of the slightest use. Any disturbance in Canton has generally arisen suddenly without any appearance of preparation on the part of the Chinese; it is a mob, in fact.

3517. In fact, it is your belief that a man-of-war stationed there, would not have the desired effect?—It ought to be stationed at Canton, not at Whampoa; generally the men-of-war have been lying at Whampoa.

3518. What is the distance?—About 15 miles; the tide is so strong, that if any disturbance took place with an unfavourable tide, they could not be up under nine or ten hours.

3519. When you say that you think there should be a small steamer-of-war as a protection against pirates, do you mean in addition to a man-of-war near Canton?—I think a small steamer, kept plying between Whampoa and Hong Kong would keep the pirates away, in a great measure.

3520. But it would not answer the purpose of protecting the residents at Canton?—No.

3521. Do you imagine that a single vessel of war lying opposite the factories would be sufficient to protect the factories?—I think that the Chinese have a very great dread of our steamers. I know that all my own friends expected a disturbance in Canton in February, and all my letters mention that they attribute their perfect safety to the presence of a small steamer that is lying there.

3522. Dr. *Bowring.*] What is the distance of the point of anchorage at Canton from the hongs?—The river runs in front of the hongs.

3523. *Chairman.*] A steamer could lie so as to command the hongs?—Yes: another circumstance of safety would be, that if the mob was so large as to be able to overpower us, and the steamer could not render us sufficient service, it would always be a place of refuge and a place for saving books and papers.

3524. When you say that one vessel of war would be sufficient, you do not mean in case of any regular rising, but in case of an *émeute*?—I think that is all we have to fear, as the Canton government seem disposed to read the treaty fairly.

3525. *Chairman.*] Is Canton itself under the command of any guns in the river?—No; it lies too far back from the river.

3526. Would a steamer command any such part of the banks of the river as would be available for recreation, and for the use of the residents?—In front of the factories, it would command the whole. On the other side the space is a good deal crowded with buildings; guns would not be of much avail.

3527. Dr. *Bowring.*] What is the width of the river at Canton?—At high water I should think about the breadth of the Thames at Westminster; the navigable space is not more than that at Putney; there are so many boats lying there.

*George Gabriel Sigmond,* M. D., called in; and Examined.

*G. G. Sigmond,* M. D.

13 May 1847.

3528. *Chairman.*] YOU have looked a good deal into the question of tea?—I was consulted by the East India Company in 1839, when the Assam tea was discovered in British India. At that period I read a lecture before the Royal Medico-Botanical Society, as its professor. I was requested to publish the lecture, and that led my attention to the subject of tea. I published a little work, and rendered it rather popular.

3529. What are the points which you wish to state to the Committee as bearing upon this question?—My simple opinion is, that were the duty reduced upon tea the consumption would be much greater, and that we should be able to compete with Russia and other countries in the introduction of a higher class of tea than we at present have. We draw our tea at present from the five maritime provinces of China. We know very little of the tea upon the Tartarian frontier, which finds its way not only to Russia, but to Austria and Bohemia, and which I have myself drunk at Moscow, and I consider it to be infinitely superior to anything we have here.

3530. Is the difference you observed between the tea drunk in Russia and that in England a difference arising from soil, or climate, or species?—I think all together; the tea is derived from a better soil, and more attention is paid to it. In the maritime provinces, they have acquired a certain habit of making tea for the English markets, very much in the same way that you have clarets made in France and elsewhere. The arrangement is made for our taste and palate; our palate is as bad for tea as is possible.

3531. Mr. *Hawes.*] You think that the Russian imported tea is superior?—Yes.

3532. In what respect?—Both in aroma and in the principle upon which the power of tea depends, which causes its effect upon the nerves of sensation upon which I think tea principally acts.

3533. What has been the result of the medical inquiries into the effect of tea upon the human frame?—I think it is of great importance in the prevention of skin diseases, in comparison with any fluid we have been in the habit of drinking in former years, and also in removing glandular affections. I think scrofula has very much diminished in this country since tea has been so largely used. For those classes of society who are not of labouring habits, but who are of sedentary habits, and exercise the mind a good deal, tea is of great importance; not to those who have corporeal labour to undergo, but to those who lead sedentary habits, and whose nervous system is much acted upon.

3534. Sir *G. Staunton.*] You consider that a considerable increase in the importations of tea would be favourable to the healthy condition of the people?—Decidedly.

3535. Dr. *Bowring.*] Can you state what was the highest price paid for Caravan tea at Moscow?—That I am not aware of.

3536. *Chairman.*] What reason have you to believe that the Russian tea was brought from a different part of China from that from which we derive our supplies?—I made inquiries upon the subject, and found that it passed through Kiachta, and was exchanged at the great fair of Novogorod.

3537. Did you ascertain in what part of China the teas used in Russia grew?—Principally in the neighbourhood of Pekin, as I was given to understand.

3538. Sir *G. Staunton.*] Was it entirely black?—Almost entirely black Caravan tea is almost entirely black.

3539. Mr. *Moffatt.*] With a good deal of Flowery Pekoe in it?—Yes.

3540. Dr. *Bowring.*] In what way did you understand that the exchange was carried on at Kiachta?—Almost entirely barter. I understood that very little money passed between the parties; they bring the goods of Muscovy, and barter.

3541. Is it not done in this way, that there is a town on each side of the Great Wall, the one being accessible to the Chinese, and the other to the Russians, and they meet at a bar and transact their commerce?—Yes, at Kiachta.

3542. *Chairman.*] You look for the importation of those classes of teas to the

the increased consumption having the effect of drawing teas from a larger surface?—Yes; and likewise getting a larger portion of the commerce of Austria and Bohemia in the Caravan tea, which now takes three years in coming from that part of China.

3543. You expect that this effect will be produced by the increased consumption consequent upon a lower duty?—Yes.

3544. Sir *G. Staunton.*] You were understood to say that the Russian tea is the produce of the northern part of China?—Yes.

3545. Do you recollect the name of the province?—I think Yunan was a province which I heard much of; that is nearer the Assam territory. I heard a great deal of Yunan.

3546. What is your opinion of the Assam tea?—I am afraid it will turn out a failure.

3547. And also of the other tea produced in the western part of India called Camoun?—I have not heard of that.

3548. Dr. *Bowring.*] What is the objectionable character of the Assam tea?—I think the great watchfulness produced by Assam tea, must always be an objection to it.

3549. *Chairman.*] Is it beyond that produced by green tea?—We know so little of green tea, that it is difficult to say. All the green tea introduced into this country, I think is a preparation; not a natural production.

3550. Do you think that the black and the green are not distinct species?—It is a very difficult question; I believe there is no doubt that there are two species, which are affected by the climate and the soil, exactly as it is with our own grapes. Probably the same grapes grown at the Cape of Good Hope, produce Constantia. Place them in the south of France, and they produce Claret; and I believe it is the same with the black and green tea.

3551. Are not the medical qualities of green tea upon the nerves, different from those of black?—I suspect that what we consider the qualities of green tea, are the result of the prussic acid that is in the green tea.

3552. You believe that green tea always has prussic acid in it?—Almost always.

3553. Sir *G. Staunton.*] Is not there a considerable difference in the manufacture of green tea, as compared with that of black?—In the drying and preparation.

3554. Can you state the cause of the difference between black and green tea?—I do not know upon what it always depends; I believe that black tea can be converted into green tea, but I do not believe that green tea can be converted in black tea.

3555. The effect upon the human system is very different?—Yes; but I think we scarcely know what real green tea is. The Loontsing tea is evidently green tea.

3556. The question refers to the green tea in the British market?—I think that is, generally speaking, deleterious.

3557. It has an injurious effect upon the human system?—Yes.

3558. Can you state the cause of that?—I think its action is principally a depression of the nervous system; exciting also in the stomach many of the sensations produced by prussic acid in a very diluted state.

3559. *Chairman.*] Does prussic acid produce sleeplessness?—I do not think we know sufficient of the effects of very diluted prussic acid to tell. The prussic acid in tea must be very diluted. We are in the habit of giving it in certain diseases, but I do not know that we have found that it produces watchfulness.

3560. Is not it rather given as a sedative?—Yes.

3561. Is the effect of green tea sedative?—In some cases.

3562. Mr. *Ewart.*] Is not it true that it may be in some cases sedative and in other cases exciting?—That depends upon certain principles.

3563. Can you give the result of a chemical analysis of tea?—That is not in my department; mine is rather the botanical than the chemical department; but the principal thing is theine, which answers to morphine.

3564. Is not there an admixture of nitrogen in the composition of tea?—Not more than in all vegetable substances.

*G. G. Sigmond*, M. D.

13 May 1847.

3565. In more than the common proportion?—We have only the dried leaf; we can hardly judge from that.

3566. Viscount *Jocelyn.*] Are the principles in tea and coffee similar?—No; there is a principle called "caffeine" in coffee. We find a metallic substance in coffee, and in the greater part of the vegetable world there is a portion of copper, and it exists to a considerable extent in coffee. There is very little in tea.

3567. Dr. *Bowring.*] In 1,000 parts of tea how many parts of theine do you find?—That I am not prepared to say, for it must vary so much.

3568. Mr. *Moffatt.*] Do you find prussic acid both in black and in green tea?—I am not aware that it has been found in black tea. It has existed when the tea has been rendered green by Prussian blue. I believe Mr. Davis in 1832 had an opportunity of witnessing the formation of green tea out of black. I think he found that the old leaves were coloured first of all with turmeric, and afterwards Prussian blue was added to give the colour of green to it.

3569. Are you aware that in this country there is a process for turning black tea into green?—I have no doubt of it.

3570. Do you find prussic acid to exist in tea so altered?—I dare say if it were analysed, it would be found to be so, but I speak merely of Prussian blue.

3571. You do not believe that prussic acid is an ingredient in the green tea plant, but only in the manufacture?—No, an adulteration.

3572. It does not extend to all green tea, but only to adulterated green tea?—Yes.

3573. Mr. *Ewart.*] Gypsum is also used, is not it?—That is added to produce a chemical effect, to induce the leaf to imbibe the colouring matter.

3574. Mr. *Moffatt.*] You have spoken of green tea as being depressing to the nervous system; is that the result of your experience?—Yes; but I should state that we know so little of real green tea in this country, that it is difficult to say what its effect is. I do not think that what we get is real green tea in a great number of instances.

3575. Your impression is, generally, that tea is a highly healthful drink?—It is so; the most useful drink with which we are acquainted.

3576. Viscount *Jocelyn.*] Which do you think is the greatest stimulant, tea or coffee?—Coffee.

3577. To the labouring man who exerts himself from morning to night, the greatest stimulant would be coffee?—Yes; but it is the nutritive quality, often, that I should look to, and not the stimulant.

3578. As far as regards the nutritive quality, which should you say was the most nutritive, tea or coffee?—Tea. It prepares the system more for the nutrition to be derived from other substances, both animal and vegetable.

3579. *Chairman.*] Have you had an opportunity of ascertaining whether there is much adulteration of tea in England?—Some few years ago, Professor Gilbert Burnett and myself were requested by the Court of Exchequer to examine certain leaves, sloe and other leaves, which it appeared had been collected for the purpose of adulterating tea, and we found that it was carried on to a very considerable extent.

3580. Mr. *Harcourt.*] Is there enough of the copper principle in coffee to be unwholesome?—I think not, taken in moderate quantities. I believe an analysis has been made. I believe it has been stated, that in about 10 ounces of coffee there is found enough of copper to cover two inches of a metallic wire of a piano-forte with copper. Dr. O'Shaughnessy made a series of experiments, for the purpose of ascertaining which substances had the most copper and which had least, and the conclusion to which he came was, that there was less of copper in tea and potatoes than in any other vegetable substances used as food.

3581. Coffee, although having no prussic acid in it, has nevertheless the effect upon some persons of keeping them awake the same as green tea?—Yes.

3582. How do you account for that?—I did not ascribe the watchfulness to prussic acid; I merely stated that watchfulness occurs from the Assam tea and from green tea. The great objection to the Assam tea which I have found has been the watchfulness produced by it.

3583. Has not the Hyson tea sold in this country been found in many instances to produce watchfulness, that being a Chinese tea coloured with prussic acid?—I do not ascribe it entirely to the prussic acid. The prussic acid is only developed in consequence of being brought into the mouth; it would otherwise be simply prussian blue, in the same way that in the bitter almond, although it contains prussic acid, the acid is not developed till it is put into the mouth, and there the heat, the hydrogen, and the saliva cause the development of the prussic acid.

3584. But according to Mr. Fortune there is no difference between black tea and green tea, except the application of turmeric, gypsum, and Prussian blue to the tea, which makes it green?—I should say that we have authorities of an earlier period, which show that there is green tea; in fact we have a decidedly green tea in this country. So that green tea is not always black tea converted into green.

3585. Are you aware that according to Mr. Fortune's statement, the great mass of what is sold here as green tea is produced in that manner?—So I have understood.

3586. Sir *G. Staunton.*] You consider that the vulgar notion of green tea obtaining its colour by being dried on copper is quite erroneous?—Yes, quite so.

3587. Have you heard it stated that the greater and more direct exposure of black tea to fire is supposed to have some effect in neutralizing the noxious qualities of tea, and rendering it more wholesome?—I am not aware of that. As to the different modes of drying tea, I believe there is a great difference in the mode of drying; much of course would depend upon the tea itself; for instance, with respect to the tea gathered early in the spring, the first gathering in the spring contains more mucilage, and is less likely to be an exciting tea than that which is gathered later. Congou, which is the third gathering, of course contains all the autumnal effects; it has a stronger principle.

3588. But it is well known that there is a considerable difference in the mode of firing the black tea and the green tea?—No doubt; I suppose it is prepared in different farms, according to the different principles which they have been in the habit of following from an early period.

3589. That and the natural quality together produce that remarkable difference which exists between the two teas?—Yes.

3590. Mr. *Moffatt.*] Are you aware that there are specimens in the Botanical Gardens of both black and green tea?—We have them here; and I have seen them also at Moscow, and at Madrid. It is simply a botanical question as to species, whether they are species or varieties; but there is no doubt that there is both a black and a green.

3591. Mr. *Ewart.*] Do you think that if the consumption of tea were extended very much among the labouring population of this country, it would have a good or a bad effect?—I think it is the very best fluid that can be taken.

3592. For the labouring population?—It does not give that tone and strength which is derived from a very diluted spirituous fluid; but still it would enable them to labour, though not to the same extent. It is more desirable for the manufacturing population. I think a manufacturing population cannot do without it.

3593. You think that it corrects some of the bad tendencies which the system of manufactures in crowded cities tends to produce?—Decidedly.

*Martis*, 18° *die Maii*, 1847.

MEMBERS PRESENT.

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|---|---|
| Dr. Bowring. | Viscount Jocelyn. |
| Mr. Ewart. | Mr. Parker. |
| Mr. Harcourt. | Viscount Sandon. |
| Mr. Hawes. | Sir George Staunton. |

VISCOUNT SANDON, IN THE CHAIR.

*John Bowring*, Esq., LL.D., a Member of the Committee; Examined.

*John Bowring*, Esq. LL.D., M.P.

18 May 1847.

3594. *Chairman.*] HAVE you been able to collect any information as to the operation of the change in the mode of levying the duty on tea in the Isle of Man?—I have, not only as regards its effect upon tea and the increased consumption of tea, but also as regards its effect upon the increased consumption of sugar and of coffee. The official returns of the year 1843 show a consumption of tea of 75,000 lbs. under licence, and 20,999 lbs. admitted from England, beyond the amount under licence, making 75,999 lbs. in all. The duty was then on black tea 6*d.* per pound, and on green tea 1*s.* per pound. The value of the licences on black tea was 1*s.* to 1*s.* 6*d.* per pound, and of the licences on green 1*s.* per pound; therefore the added cost in the case of black tea was from 1*s.* to 1*s.* 6*d.* per pound, and on green tea 2*s.* per pound, representing something like the present rate of duty in England. I have also a Return of the year ending the 5th of April 1847, under the regulation which allows any amount of importation at 1*s.* a pound; the consumption of that year was 134,400 lbs., being an increase of 40 per cent. on the whole importation before, upon which the added cost was 2*s.*, and an increase of 77 per cent. if taken on the amount of tea imported under licence, namely, 75,000 lbs. In the case of Muscovado sugar, the importation into the Isle of Man in the year 1843 was 8,925 cwt.; the duty was 1*s.* a cwt.; the value of the licence was 2*s.* per cwt; so that the total added cost was 3*s.* per cwt. The consumption ending on the 5th of April 1847 was 15,064 cwt. at a duty of 1*s.* per cwt., being an increase of 69 per cent. on Muscovado sugar. Of refined sugar, the amount imported in 1843 was 824 cwt. paying an *ad valorem* duty of 5 per cent., or 2*s.* per cwt.; and the licence was then 37*s.* per cwt.; making a total of 39*s.* The increase on the 5th of April 1847 was up to 1,164 cwt., at a duty of 9*s.* per cwt., being an increase of 39 per cent. upon refined sugar. But a more remarkable fact is, that this increase in the consumption of tea has been accompanied with a far greater increase in the consumption of coffee; so that while in 1843 there was imported under licence 7,435 lbs. of coffee, and of coffee having paid duty in England 24,960 lbs., making together 32,395 lbs., on an average duty of 4*d.* a pound, the coffee consumed in the year ending the 5th of April 1847 was 90,400 lbs. at a duty of 2*d.*, being an increase of 179 per cent. I ought to mention that the amount of the whole revenue in the four years previous to 1844 averaged 21,973*l.* In the year ending the 5th of April 1847 was 26,653*l.*, being an increase of revenue of 4,680*l.* per annum; though at the present time only 10 articles pay duty, while under the old state of things few articles were admitted free of duty.

3595. Are there any other circumstances, except the reduction of duty, to which you can attribute this increase?—There has been, no doubt, some augmentation in the population, and I believe that the augmentation to the population is very much to be attributed to the lowering the price of those articles of ordinary consumption.

3596. Do you conceive the whole increase to be additional consumption, or any part a substitution for clandestine importation?—I believe that the clandestine importation to the Isle of Man has been very small. I have endeavoured to obtain a return of the seizures of articles intended to be introduced into the Isle of Man, and I found that those seizures were very few; also of the seizures of articles intended to be imported into England; those seizures are equally small.

Mr. *Thomas Beggs*, called in; and Examined.



3597. *Chairman.*] YOU are Secretary to the National Temperance Society?—Yes.

3598. Your position has called upon you to look closely into the habits and condition of the poorer classes of the community?—Not only in that position, but almost ever since I was a boy I have been a good deal mixed up with the different movements affecting the interests of the working classes, and consequently I have seen a good deal of their habits, and know a great deal of their dispositions.

3599. Has your observation led you to any particular consideration affecting the price of tea?—I have been led some time ago, but more particularly lately, to the conclusion that the cheapening of the comforts of life was one of the best ways of counteracting the prevalence of intemperance. Of late years my attention has been particularly directed to the intemperate habits of the people, and their causes and extent; and I believe that one of the very best means of counteracting intemperance in this country would be cheapening all the comforts of life. I find that this principle was recognized by the Committee on Drunkenness in 1834. I find here recommended, among the "Remedies Legislative and Moral," "The reduction of the duty on tea, coffee, and sugar, and all the healthy and unintoxicating articles of drink in ordinary use, so as to place within the reach of all classes the least injurious beverages on much cheaper terms than the most destructive." With that I most completely coincide. All my experience would add weight to it.

3600. Can you state any circumstances which bear out that opinion?—There are a few circumstances which I may state: Of late years, since the introduction of temperance societies, there have sprung up (and in some degree those have superseded the old dinner parties amongst the poorer classes) tea parties. It will be at once obvious that under the old system, when clubs and benefit societies met merely for their half-yearly or annual feast, the men only could be there; under the present system they can take their wives and families; and it is clear that that will have a very softening effect, besides breaking through the great temptations to intemperance which existed under the old system. Now there are a great many of those temperance tea meetings held, and many of them, in the provincial towns particularly, are at 6*d.* a head. I have mingled a good deal with those tea parties, to see the mode in which they are conducted, and to ascertain the feelings of the working classes, and to see what improvement they produced in their dispositions and temper; and I have known instances like those where a very inferior kind of tea has been used, and soda has been put in in order to extract better results from it, and in order to cheapen it. Now it is highly desirable that on all occasions like that, every facility should be given to the working classes to obtain agreeable recreations, and to let them have them at the lowest possible cost. The tea which they often have is such that we who are used to a much pleasanter and more fragrant beverage should not at all relish, we could not drink it.

3601. When you say "6*d.* a head," do you mean the whole cost of the entertainment, including bread and butter?—Yes; that is the lowest sum; it is often 8*d.*; often 9*d.*; often 1*s.*; but I have known frequent instances where it is but 6*d.* I should not say that on all occasions that covers the cost of the entertainments; but very often benevolent individuals, wishing to encourage the rational recreations of the working classes, will give a pound or two to make up the deficiency. I know an instance in a village called Tor-upon-the-Hill, near Lincoln, in which a farmer who had taken great interest in the promotion of temperance was much annoyed by an annual feast affording such temptations to the people as to induce a great many of them to break their pledge. He had considerable influence in the neighbourhood, but he did not wish to exert it in any coercive way, and he adopted another mode; he instituted

Mr. *Thomas Beggs.*

18 May 1847.

tuted on the feast day a large tea party, emptied his barn for the purpose, and brought a band of music over from Lincoln. I forget at what time of the year it was held, but upon one occasion I was present in the summer time, and there were sports upon the grass, and other things; and in the course of about three years he entirely broke up the feast, and superseded it by his tea party. A great many of those things are got up by the working classes themselves, where there are no parties of influence amongst them; and of course it is extremely desirable that they should have every facility given to them to do it economically, and to have the best beverage which they can possibly get. I do not know that on the subject of tea parties I have anything more to offer. I might perhaps just draw the attention of the Committee to another point, and that is the coffee-houses which exist to a very great extent in London, and are now getting introduced into the provinces; many of them have been instituted by temperance societies in London, and I am quite satisfied that they are a very considerable check upon the intemperance of the people. I find that in a very few instances do those coffee-houses sell any great amount of tea, and the tea which they sell is of the very lowest and worst kind, such tea as we could not drink; and I have endeavoured to ascertain the reason of that. We have several missionaries engaged in visiting amongst the poorest population. There is James Balfour, who has been in the habit of visiting those coffee-houses from the time of their establishment, and it may give the Committee some idea of the vast number of people who attend those, if I state that there is one that he attends in the middle of the day, Pamphilion's, in the neighbourhood of the Regent's Quadrant; I desired him to make particular inquiries as to the number, and he told me that 1,400 persons went into that house every day, a great many of them members of the working classes.

3602. Mr. *Hawes.*] What is the particular attraction to that house?—Newspapers; all the papers of the day, periodicals, and things of that sort. It is an old-established house.

3603. The cheap literature is chiefly taken in there?—Not the cheapest literature, not the penny trash of the day, but the superior publications. I have been there several times.

3604. Is there anything like a library?—There is a library there, and I think there is a room that is exclusively kept for foreigners. I have been in a great many of those coffee-houses; the coffee is rather of an inferior description. It has much improved since its reduction in price, but the tea is the very worst.

3605. *Chairman.*] What do you suppose, in cases where 6*d.* a head is charged for such entertainment, would be the effect of the reduction of the duty on tea to 1*s.*; what proportion of the price would be affected by it?—The only effect it would have would be to enable them to have better tea, and thus induce them to accept the entertainment. The tea they have on those occasions is the very commonest black tea, I fear very much adulterated; it is such tea that I cannot drink it. I have often called for it in order to taste it.

3606. Mr. *Ewart.*] Can you recollect the date of the first coffee-house established in London?—No; I have not been resident in London more than two years.

3607. Can you state what is the number now?—I have not ascertained that fact.

3608. *Chairman.*] Do you perceive that tea is becoming more and more an object of desire among the poorer classes?—I think, decidedly. In order to have something besides my own opinion upon the matter, I have written to some parties in the country who are in the habit of visiting the people. There is a lady in Nottingham who takes a very kind interest in the condition of the poorer classes; she is a member of the Society of Friends, and I think some part of her letter is of sufficient importance to call the attention of the Committee to it. She says, "I feel quite incompetent to advance any arguments on the cheap tea question which would not be much better understood and advocated by thyself, as it is so intimately connected with the general question of untaxed provisions for the working people of England, which I think every enlightened and benevolent mind would be obviously convinced is due to them with the small remuneration they receive for their daily toil. I thought, however, it would not be amiss, in evidence of my desire to help thee, to ask some of the people themselves, on going my usual rounds for the Provident Society.

They

They all seem to unite in the fact that tea is now a necessary article of daily consumption, and that it would be a relief to them to have the tax removed, but they would be glad to have the relief extended to sugar and other articles, which would enable them to obtain more meat or bread, the high price of which has been hard upon them this severe winter. They generally think that cheap tea would promote abstinence from intoxicating beverages; and some thought it would greatly promote our intercourse with China, and encourage our trade with that empire. The women I found most anxious for a reduction, and especially the more elderly ones, many of whom take tea three times a day because they cannot afford more substantial food to equal the refreshment it affords. One respectable man, who has known better days, and whose neighbours know little of the difficulties he has to surmount, and who has had to bring up a large family, assured me that their plan was to keep the leaves in his teapot till the end of the week, adding a little fresh tea every time it was used; and the poor wife said that there have been times when she has at last put in a little soda only, to draw out the remaining essence that might be left in the oft-washed refuse. Surely no one can doubt that cheap tea would be a great advantage to the poor, and that a working man, after his day's labour, has a right to a comfortable cup of tea, fresh and good. I am sure the prevailing feeling is, 'Let all taxes upon the necessary food of the working classes be forthwith abolished,' to which I heartily subscribe."

3609. Dr. *Bowring.*] What is the charge to the working man for a cup of tea?—It varies from 1½*d.* to 3*d.*

3610. Mr. *Hawes.*] For what quantity is that?—About half-a-pint.

3611. *Chairman.*] Do you know what portion of leaf is used?—No, I am not able to tell.

3612. Dr. *Bowring.*] What is the charge for coffee?—Three halfpence a cup in some instances; the better class coffee-houses 3*d.* a cup.

3613. Mr. *Hawes.*] What quantity is that for?—The same quantity. A friend of mine in Glasgow, connected with the Scottish Temperance League, was very desirous of promoting the establishment of three or four houses in Glasgow, to counteract the effects of some drinking houses there, and lately, at his request, I have gone amongst the London ones, in order to give him a few hints. The coffee is of a very inferior description, but the tea is exceedingly bad; and it would be of great importance that gentlemen should themselves go and just taste what is afforded to the poor people.

3614. Dr. *Bowring.*] Is there any case in which the working classes themselves are proprietors of coffee-houses?—It has become more common now in the provinces with the Temperance coffee-houses. I know three instances; one in Nottingham, where a number of working men, I think 20, subscribed something like 2*l.* each; they got a little house, and opened it as a Temperance coffee-house. There is another, I believe, in Sheffield.

3615. Did they succeed?—This in Nottingham has succeeded very well, and I believe that the people have reaped pecuniary advantage from it; and I believe there is another at Manchester. On this matter I also communicated with a friend of mine, the town-clerk of Maldon in Essex, and he says, "I beg to add my humble testimony, with a few facts in reference to the state of the labouring class in our town. We have a friendly society established in Maldon to relieve the aged every fortnight during the winter season, and the sick constantly. I have lately visited for this society (four weeks), when 60 each week came under my observation, and I found that animal food and vegetables were excluded with scarcely a solitary exception, and that tea, with bread, or bread and butter, was the only dinner meal; and though I am not favourable to so frequent a use of tea, still the tastes or prejudices of the poor cannot be removed altogether; and it is pleasing to observe that beer is almost dispensed with in the cottages; and I have no doubt if tea was cheaper, it would advance the temperance cause, and rejoice the poor and aged who have very few of this world's comforts to soften their toil and suffering." That is quite in accordance also with all I know. I know that under the poor-law system, where tea has been excluded, the poor people have felt that privation more than any other.

3616. *Chairman.*] Do you know at all what the consumption of a poor family is in tea?—It varies very much. I have known them use about one ounce a week. I have known instances in Nottingham of stocking makers who never

Mr. *Thomas Beggs.*

18 May 1847.

never taste animal food but once a week, who will consume about three ounces of tea per week.

3617. Dr. *Bowring.*] Per head, or per family?—Per family. At this present moment I believe my wife is supplying some poor woman in the neighbourhood with the tea leaves that we have done with. There is another remark which I would beg leave to mention; it is a statement made by one of our missionaries, a man upon whose testimony I can depend: "William Claridge has been employed some years as a missionary among the poor; he finds that they are all attached to tea, except the decidedly intemperate. He has himself a large family, and regards it as a great hardship that tea is so high in price; is decidedly of opinion that if good tea was sold at a low price, it would diminish intemperance."

3618. Mr. *Ewart.*] Have not there been attempts made to sell such articles as tea at a more moderate price, by means of co-operative societies?—There have; but I think they have failed.

3619. Have not some manufacturers assisted in the establishment of large stores, like American stores, for the benefit of their workpeople?—I am not able to speak to that.

3620. *Chairman.*] Have you anything further to state to the Committee?—I believe that there has been some apprehension pretty generally expressed about a diminution of the revenue, if the duty on tea were reduced. There is a remark I should like to make upon that, that I do not think under present circumstances, judging from my knowledge of the working classes, the same amount of revenue can be derived from them; I believe it will have to be removed to other classes. I think it decidedly injurious to have any unnecessary taxation upon the comforts of life; and being greatly interested in the establishment of temperance principles among the working class, regarding that as the foundation almost of all our social reforms among them, I may say that I conceive that every shilling that the revenue would lose from the diminished consumption of intoxicating drinks, would be gained by a reduction of poor rates, and of the cost of crime, and so on.

3621. And by increased industry?—Yes; I believe that every shilling lost from that source, would be a positive gain.

*Jeremiah Gurnett*, Esq., called in; and further Examined.

*J. Gurnett*, Esq.

3622. *Chairman.*] YOU wish to add something to the evidence you gave the other day?—I do; I quite forgot to state a fact which I think is of importance; I forgot to state that we have lately put our workpeople upon short time, four days a week, and it is the first time we have done it for 48 years; and I may add, that if we could have seen any fair and reasonable prospect of a moderate advantage in shipping our goods to China, I believe we should have worked full time, and not have put our people upon short time.

3623. Dr. *Bowring.*] How many workpeople do you employ?—Nine hundred.

3624. *Chairman.*] The state of the China trade in your case, has a direct influence upon the employment of the population?—It has induced us to put our people upon short time, for the first time in 48 years.

3625. Mr. *Hawes.*] How long have you been an exporter of goods to China?—Ten or a dozen years.

3626. Have you at any previous period had to put the people upon short time?—Never; it is the first time for 48 years, and it is only about three weeks ago that we did so.

3627. Has your China trade been superadded to your other trade, the last 10 or 12 years?—For a great part of the time we were spinners alone; but the last 25 or 30 years we have been spinners and manufacturers, and we have exported a considerable proportion of our goods to India and the west coast of South America.

3628. Has your India and China trade, to the extent to which it has been increased, superseded your other export trade, or is it entirely in addition to it?—We occasionally sell goods at Manchester, but latterly we should have exported them all if we had seen a fair remuneration.

3629. Have you exported more than usual to China the last few years?—No; less.

3630. In

3630. In the last five years?—Five years ago we were exporting more than we have done the last few years.

3631. Should not you say, in point of fact, that there has been rather a glutted market in China for British goods?—I do not think that there have been more goods sent than the China market would readily take; but the misfortune is that we can only bring tea back, and the tea is brought back in such excess as to overstock the market here. I do not think there has been any glut of goods in China. If we could have had tea at a lower price, and if the consumption of tea here had been greatly increased, there would have been no excess of British goods in China.

3632. And you are of opinion that no increase of demand for tea in China would be accompanied with a rise of price in China?—I am not able to speak to that; I believe it would not.

3633. Dr. *Bowring*.] How many hours a day are your people working now?—They are working eight hours a day now.

*William Scott*, Esq., called in; and further Examined.



3634. *Chairman*.] YOU have resided in China for some time?—I have been there 11 years. Previously to my permanent residence there I went a voyage in the Company's service.

3635. In what part of China have you resided?—In Canton for four years, in Macao three years, and in Hong Kong about four years.

3636. Were you at Hong Kong at other periods?—Yes, several times.

3637. What is the present state of the colony of Hong Kong?—It is in as depressed a condition as it possibly can be.

3638. To what causes do you attribute that?—To the absence of respectable Chinese inhabitants, arising, 1st, from the harshness shown to the early Chinese settlers in respect of the occupation of lands; 2dly, from vexatious regulations appertaining to matters of police; 3dly, from the mode in which the revenue is raised.

3639. What do you mean by the harshness shown to the Chinese settlers?—The lands were granted to them with certificates of ownership and measurement in 1841-42, by Captain Millius, the land officer, under the orders of the local government, and subsequently they were removed. They had occupied to the extent of two streets, called the Upper Bazaar.

3640. You are speaking of the Chinese settlers?—Yes.

3641. What was the grievance which they suffered?—They were dispossessed by the orders of Her Majesty's Government, and the lots sold over their heads about six months before they were dispossessed. They were dispossessed from two streets that they occupied, called the "Upper Bazaar."

3642. Upon what plea?—The ground was taken and resold over their heads at the first land sale in 1844.

3643. Mr. *Hawes*.] What do you mean by "sold over their heads"?—They were in the occupation, and without any notice given the land was sold to others.

3644. *Chairman*.] Had they paid for their purchases?—I am not aware that any rent had been collected up to that time.

3645. Did those parties remonstrate?—I believe they did; I have seen one or two deputations go up to Government-house upon the subject.

3646. Were any of them allowed to retain their land subsequently?—One or two Chinese purchased at the land sale of 1844; I am not aware whether they purchased their own lands or not.

3647. Had any rents been fixed upon them in the first instance?—I am not aware of that.

3648. Are you aware what rents were fixed when the lots were originally granted?—The rent was fixed in the Lower Bazaar at 10*l.* per 105 square feet, and it has been raised to 25*l.*

3649. Have you ever seen one of the original certificates, so as to be aware of the contents?—I have never seen a copy myself; but it was pretty notorious in China at the time that they had certificates of measurement.

3650. Mr. *Hawes*.] Was the 10*l.* rent fixed under Sir Henry Pottinger?—No, by Captain Elliott.

3651. *Chairman*.] When did that occur?—In 1844.

*William Scott*, Esq.

18 May 1847.

3652. After they had been two or three years in possession?—Yes.

3653. Was any compensation given to those who were dispossessed?—I think 50 dollars each, and allotments in a less eligible situation.

3654. Do you consider the compensation adequate?—No.

3655. Were any English settlers dispossessed?—One or two, who were in the bazaar, were dispossessed with the others.

3656. Did any public notification accompany this act, of the grounds on which the Governor proceeded?—No, it seemed to be an after-thought at the land office, for there was a pause at the sale, from which it appeared it had not been quite determined that they should sell these lots.

3657. Did the English settlers who were dispossessed receive any compensation?—A Mr. Oswald who had a lot refused to leave, and afterwards he got a larger lot and 1,000 dollars for compensation for his buildings.

3658. Was that lot of the same class as those for which the Chinese people received 50 dollars?—In the same place. His lot was nearer the street than theirs; it was one of the lower houses.

3659. Therefore his house was in a more valuable situation?—It was better situated than some of them. I believe the ground afterwards brought about 60 *l.* per 105 feet at the public sale; a much higher price.

3660. Have those proceedings deterred the Chinese from settling in the island?—The Chinese do not like to lay out any money in the island, as they do not think themselves safe; they think that they can be dispossessed by the Government at any time.

3661. Did many of the respectable class of Chinese come there in the first instance?—Generally shopkeepers and useful people, who purchase all kinds of goods; all of them have left the island, and their places have not been supplied.

3662. Therefore in the first instance there was no disinclination on the part of the respectable Chinese to come to an English colony?—None whatever.

3663. Mr. *Hawes.*] Do you mean that respectable Chinese showed a disposition to settle in the island at first?—Yes, many of the Chinese who were in the habit of purchasing goods at Macao removed over. We had none of the large merchants, such as the Hong merchants.

3664. Mr. *Ewart.*] The respectable Chinese went away afterwards?—They have all gone.

3665. Mr. *Hawes.*] Was it simply from the want of security of tenure?—There are other causes.

3666. *Chairman.*] What are the other causes besides this act of dispossession, which you consider to have operated in preventing respectable Chinese from settling there?—I think that had a very injurious effect. Of course very few Chinese now build houses upon the island; they are mostly the tenants of English who have built houses.

3667. Mr. *Ewart.*] What are the other causes which have induced the respectable Chinese to leave the island?—They do not like the registration and the opium farm.

3668. *Chairman.*] What is the most offensive regulation to them?—The registration is highly offensive to them, and repugnant to their prejudices. The Chinese have some religious prejudices against being measured; they are subjected to many indignities in going up to the office to be registered, and probably the whole day wasted. But they dislike the interference altogether.

3669. Dr. *Bowring.*] How has the system of corporal punishment operated upon the Chinese?—They think it exceedingly severe.

3670. Mr. *Hawes.*] Were you in Hong Kong when this ordinance of registration was passed?—Yes.

3671. What led to it?—It originated in an ordinance taxing every individual in the island; English or foreign residents were to pay five dollars each, campradors were to pay two, and every Chinese one dollar. The first day after it was issued it came into operation. On that day the whole settlement seemed perfectly cleared; the shops were shut; there was not a Chinaman to be seen about. They had held meetings, and they talked of leaving the island in a body. After a remonstrance from the foreign part of the community, the Registration Act was done away with as far as regarded foreigners, but it continued upon the Chinese, without however any tax.

3672. What do you mean by "foreigners"?—Europeans or Americans.

3673. Then with regard to the capitation tax, that ordinance was got rid of as regards all parties?—Yes.

3674. Now there is simply a registration of the Chinese?—Yes.

3675. What is meant by registration?—Every Chinese coming to the island must within 24 hours furnish himself with a registration ticket, stating his name, age, family, height, former residence, and occupation.

3676. Does he furnish his own height?—No; he is measured under a scale. The Registration Ordinance was intended originally for the purpose of revenue.

3677. Was there any previous announcement on the part of the Government that such an ordinance was about to be passed?—The ordinance was known to be passed, but it was never published till within two days of the time when it took effect. I think the ordinance was dated in August; it passed in August, but it was not communicated till October or November.

3678. Dr. *Bowring.*] In the meantime was not Sir John Davis absent?—I do not recollect.

3679. Is it your opinion that the registration is useful as an instrument of police?—Not in the least. The population at Hong Kong is very migratory; a man goes where he can get employment, and as soon as that is over he goes somewhere else.

3680. Has it served to the identification of the Chinese inhabitants?—I think not.

3681. Mr. *Ewart.*] Has it had a contrary effect from that of a good police; has it sent good people away, and induced bad people to come?—That is the effect.

3682. *Chairman.*] What is the consequence of parties neglecting to comply with the Registration Ordinance?—They are subject to imprisonment or fine, and to corporal punishment.

3683. Is corporal punishment often inflicted?—Very frequently indeed, before I left the island.

3684. Mr. *Hawes.*] For simply non-registration?—That is one of the reasons why people have been punished; but almost everything seemed to be punished by corporal punishment.

3685. Mr. *Ewart.*] Is it inflicted after the English fashion, or in the Chinese fashion?—It is inflicted with a ratan about twice the thickness of a pencil.

3686. The Chinese mode?—I do not think it is the Chinese mode.

3687. Do not they use the bamboo?—The police carry a bamboo with them. I never saw a Chinese punished by his own countrymen.

3688. Can you state whether it is an English punishment or a Chinese punishment?—No, I cannot.

3689. Dr. *Bowring.*] In addition to blows with a ratan, were not the police accustomed to cut off the tails of the Chinamen?—It became very frequent, but ultimately they found that a Chinaman could splice a tail on, and after that they shaved the tails off entirely. A few days before I came away I saw eight men pass my own window on their way down to the flogging post, with their heads as smooth as possible all over.

3690. Mr. *Ewart.*] What is the effect of cutting off the tail?—To make a man an outcast. I think it causes crime; you make the man desperate; he cannot come among respectable Chinese.

3691. *Chairman.*] It is a brand?—Yes.

3692. Mr. *Ewart.*] Was branding also practised as a punishment?—It was proposed, but I do not think it was carried into effect.

3693. *Chairman.*] Do you recollect what the date of that ordinance was?—It was in 1844, about four months after Sir John Davis came.

3694. Dr. *Bowring.*] Was it impossible to fix on a false tail after shaving the head?—Quite.

3695. Sir *G. Staunton.*] Do you consider the registration system quite unnecessary for the security of the island?—Quite unnecessary.

3696. You would not suggest any substitute for it, for the evil-disposed population?—I think you may attribute to the punishments in the island the present class of inhabitants that they have there. There is nothing more likely to make a man a rogue than to treat him as such, and that would be quite confirmed by what I have seen at Hong Kong.

*William Scott*, Esq.

18 May 1847.

3697. You think that the peace of the island could be quite preserved by the police without any registration whatever?—I think before the registration ordinance we had quite as good a set of people as we have now.

3698. You think it might safely be abolished?—Quite so.

3699. *Chairman.*] Can you state any instances in which those punishments appeared to be abused?—One instance occurred with a coolie of my own. I had arrived from Canton about four o'clock in the morning, and on going to my own house I found nobody outside. I found that my watchman had gone up to be registered the day before, and he had called me a "qui." The registrar asked him, "Do you mean to say that your master is a qui; a devil?" and he repeated the word "qui," and was immediately sent to gaol and kept there for some days, and received 20 lashes on the bare back.

3700. Mr. *Hawes.*] Inflicted with the ratan?—Yes; I have seen flogging on board a ship several times myself, and I consider the flogging with a ratan much more severe than with the ordinary cat.

3701. *Chairman.*] Has the chief justice of the island taken notice of these punishments?—He has taken notice of a case that occurred in the police court, in which innocent men appeared to have been punished.

3702. Can you state the particulars of that case?—A passage-boat was leaving the bay to go to the south side of the island, and she accidentally fouled a junk that was lying in the bay; after some time she cleared, without having done any damage; the junk's boat followed firing guns; a police boat then joined in the chase, and those Chinese being terrified jumped overboard to make for shore; four of them were drowned, and the remainder taken before a magistrate, and they were sentenced to three months' imprisonment upon the roads, under some obsolete Act of Parliament, a Vagrant Act. In the meantime the bodies of the four people who were drowned were found, and an inquest was held, a verdict of manslaughter was declared by the jury against the parties who had been pursuing; and in consequence the men were brought up before the chief justice, but owing to some irregularity in the proceedings the inquest was quashed, but the prisoners were discharged.

3703. Mr. *Hawes.*] Under what authority was the police-boat?—The police-boat was looking for some person who was running away. It was under the authority of the people on board only, as far as regards pursuing this boat; hey pursued the boat by mistake.

3704. *Chairman.*] Was it an English police?—It was an English police-boat, probably manned by Chinese policemen; very probably an English policeman was on board.

3705. Mr. *Hawes.*] Do you know that it was so?—I saw a report of it in the newspapers, and I have seen it mentioned in a letter.

3706. *Chairman.*] You have stated that another cause of the depression of the colony is the mode in which the revenue has been raised; will you state how the revenue has been raised in the island of Hong Kong?—By the monopoly system. There are five farms in the island: the opium farm, the salt weighing, the stone quarrying, the markets, and the fishery. The opium farm pays an annual amount into the treasury for the exclusive privilege. Mr. Matheson stated that the market farm and those other farms were put up to public auction; but that was not so with the last four; they were sold privately. The salt farmer pays a certain sum, and he is allowed to levy contributions upon the salt junks.

3707. Mr. *Hawes.*] Do you mean that there is no public competition?—None whatever. I am confirmed in that by seeing that the sum paid for commission to the auctioneers is exactly 2½ per cent. upon the opium farm and "sale of stores," which are put up to public auction.

3708. What does the opium farm produce?—About 4,000 *l.*

3709. What does the stone quarry produce?—The stone-quarrying and the salt are lumped together; they are set down as producing each 569 *l.* 15 *s.* 10 *d.*, but I cannot believe that the stone quarries can produce any such sum.

3710. *Chairman.*] In what way does the opium farm affect all branches of trade in the island?—It affects everything, from the provisions you consume to everything else, because almost every man in China consumes opium. The fisherman or the person who produces vegetables has to pay a higher price for his opium, and consequently requires a higher price for everything that he brings to market at Hong Kong.

3711. And will give a lower price for everything that he has to buy?—I suppose so. The opium farm operates in every possible way to the disadvantage of the island. It is an article of easy sale everywhere; boats going up the coast with opium would take with them piece goods, which they would sell along the coast or to the fishing-boats.

3712. In what way do you find opium consumed generally in the country?—It is smoked.

3713. Is it consumed in the open air as well as in houses appropriated to the purpose?—No; you find it in almost every respectable house.

3714. Do you find it consumed in the fields?—No, because it requires a lamp; it does not light like tobacco; it is smoked in a sort of liquid state; it is roasted over a lamp until it is hard enough to burn.

3715. Is it consumed by fishermen at sea?—Yes. You seldom find a boat without an opium pipe on board, if you inquire for it.

3716. In short, wherever there is an opportunity of having a lamp?—Yes. There are some pictures of opium shops in a book upon China, but it is quite nonsense. People never get into the excited state that those pictures represent, by using opium.

3717. Mr. *Ewart.*] What is the general effect of the use of opium, so far as you have observed?—I have never seen it have any bad effects, except perhaps upon one or two that have been said to smoke a great deal, and I rather suspect have swallowed it as well as smoked it. I think smoking opium is a very moderate stimulant indeed; I have spoken of it to several medical men in this country, and from my description of it, they think that it would be just like any other stimulant.

3718. Have you ever heard, that taken in moderation, it was beneficial?—I should think so; it prevents sickness.

3719. *Chairman.*] Can you state the extent of the sale of opium in Hong Kong, previously to the farm?—It was about 300 chests a month, or about 3,600 chests a year.

3720. What was the value of that?—3,600 chests at 650 dollars per chest, gives 2,340,000 dollars per annum.

3721. You believe that to be a fair statement of what the actual sale was in the year?—I think so. About 40,000 chests of opium come to China in a year, and are lodged in the receiving ships, instead of being taken into the vaulted warehouses which the merchants at Hong Kong have prepared for their reception; and in the place of receiving one dollar a chest, they have to pay two dollars at Cum-sing-moon for demurrage per month.

3722. What has been the sale of opium at Hong Kong since the farm has existed?—In February last it had fallen off to 15 chests a month, 180 chests in a year. This gives 118,625 dollars, making a loss of currency in the island of 2,221,000 dollars.

3723. Where has the trade gone to since it has left Hong Kong?—To the free settlement of Cum-sing-moon, and Canton. The receiving ships remain at Cum-sing-moon, and the opium is sold at Canton and Macao.

3724. What do you mean by the free settlement of Cum-sing-moon?—It is on the small island of Keeow, which forms the Bay of Cum-sing-moon, where the receiving ships remain.

3725. Mr. *Ewart.*] It is a voluntary settlement?—Yes.

3726. *Chairman.*] Has it risen to importance upon the ruins of Hong Kong?—Yes.

3727. What is the population there?—It is said to be 5,000.

3728. Mr. *Ewart.*] How are they governed?—They are self-governed.

3729. Do they elect magistrates?—No, they find it their interest to be quiet.

3730. What number of European vessels ever lie there at a time?—There are about 10 to 12 receiving ships lying there, besides smaller vessels coming and going.

3731. Do the Chinese authorities take any notice of the settlement?—No notice.

3732. What is the system pursued in the salt-weighing and other farms?—The bay of Hong Kong forms part of the best entrance from the sea to the Canton river; a Chinese vessel arriving there gets into smooth water for the rest of the passage, and as Chinese junks pay a certain sum port-charges upon each vessel, without taking into account how they may be laden, three of

*William Scott*, Esq.

18 May 1847.

those vessels probably put their cargoes into two, and save the port-charges upon one of them: for being permitted to do this, the government sells the privilege of making them pay a certain sum of money, and the number has diminished in consequence.

3733. That is what you term "salt-weighing"?—Yes. Those junks are a contravention of the treaty altogether; they should not be there at all.

3734. They do not come from the privileged ports?—No. In fact they come there for the purpose of smuggling, in many instances.

3735. Is there any abuse of the system of letting the markets?—I imagine so. Everything is higher in price, and not so good as elsewhere; that is probably caused by the heavy tax which there is; the charge upon the people occupying stalls.

3736. Do you think that the government ought to fix the rate at which the market stalls should be let?—They should fix the rate. No vegetables or meat can be sold in the street at Hong Kong; the party who has got this privilege lets it out to whom he pleases.

3737. Mr. *Ewart.*] There is no retail trade permitted except in the market, in those articles?—None.

3738. Of course that has the effect of raising the prices?—Yes.

3739. *Chairman.*] What is the nature of the fishery farm?—I know nothing more about it than seeing it in the accounts. It would give the man a right to board the boats and tax fishing lines.

3740. It does not bring in much revenue to the Government?—17*s.* 4*d.* The wine and spirit licence I consider very high; it is 100 dollars or 22 *l.* per annum, for a single individual to deal in spirits and wine.

3741. The licence extends beyond wine and spirits?—Yes.

3742. It includes, for example, ginger beer?—Yes; a person wanting to retail ginger beer on the island, would have to pay 22 *l.* for a licence.

3743. Pawnbrokers are licensed also?—Yes. I cannot understand how they can get so much from pawnbrokers. There were only three when I was there last. The amount they produce is about 460 *l.* I think the only way that they can make the money, is by lending money for the police fines.

3744. Is there also a system of registration of boats?—Yes. It was originally intended that people might know what boat they employed. The small boats paid half a dollar. I find from the last accounts that they have raised it to five dollars, which is about five weeks' earnings. The boat itself could not cost more than 22 dollars.

3745. Mr. *Ewart.*] Are the fines and fees of the magistrates' court complained of?—Yes, they are much too high. They appear as if they were inflicted for the ends of revenue, not for the ends of justice.

3746. Is the duty on sales by auction high?—Two and a half per cent. The amount of the sales is very small, not above 8,000 *l.* or 9,000 *l.* I think the sales must have fallen off very considerably in consequence of the duty.

3747. *Chairman.*] What do you consider the best mode of levying a revenue in Hong Kong?—I do not see that you can levy any other revenue than a land rent.

3748. You think that would be, even if it were high, the most convenient way with a view to the interests of trade?—If the land revenue had been the only one to this time, it would have very much increased; you would now have had as much from land revenue as you have for land and other things.

3749. The absence of other more oppressive details of taxation would have encouraged the increase of the land-tax?—Yes.

3750. Are you a holder of lands on the island purchased in 1841, under the terms of sale advertised by Captain Elliot?—Yes.

3751. Have you a copy of the terms of sale?—I have already laid it before the Committee; it is contained in the Appendix.

3752. Have you built upon any such lots, and when?—Upon one of them. I built upon one marine lot a house which was ready for the reception of Keyin, when he came to visit the island in 1843 for the purpose of signing the treaty.

3753. A first-class substantial house?—Yes, three storeys.

3754. Have you ever had a formal conveyance of the property from the Crown, according to the terms of sale?—No; but I have been informed by my attorney

attorney that he has been peremptorily called upon to take up a lease for 75 years. I have always refused to do so myself.

3755. You considered that you were entitled to have a permanent property at an annual quit-rent?—Yes; we built with that expectation.

3756. You considered that you were entitled to have a formal title as soon as the precise measurement and registration of the land should be completed?—Yes; according to the terms of the land sale.

3757. Are those the reasons for which you objected to accept such a conveyance as was offered to you?—Yes; we were induced, under the terms of sale of June 14th, 1841, to expend large sums of money in building on the lots, and we claimed the right to have the lots conveyed to us in accordance with the terms of that sale, on the principle universally acknowledged in this country between private individuals, that where one party by representations of another has been induced to lay out money on that other's land, equity will compel a specific performance of the contract. Nor can we see that there is any difference of principle between the case of two private individuals or of a private individual and the Crown. The governing powers in Hong Kong, when remonstrances were made to the form of lease offered, stated that the circumstances of the island were changed; that at the time the first sale was made the possession of the island had not been ratified by treaty. Such an argument is inconsistent with precedent and common sense. Hostile possession of an enemy's country gives the occupier an absolute right to such country, subject, however, to cession by treaty, and the land taken belongs to the government of the captors; the effect of the treaty confirming the possession of the captors, merely giving a stronger title than that of capture. Whatever change of circumstances might have taken place affecting the title if the island had been ceded to the Chinese, none have arisen at all affecting the right of the settlers as between them and their own Government.

3758. Mr. *Hawes*.] The grant you speak of was before Hong Kong belonged to the British Government?—It was taken possession of by the British Government; the British flag was hoisted upon the island, and the spot is called Possession Point to this day.

3759. But before it was ceded?—Before the treaty was signed; but the island was ceded by Keyshin in 1840.

3760. You are aware that it is stated, on the 10th of April 1843, in the Government Notification: "It has been repeatedly intimated that the terms and tenure of holding all lands on the island of Hong Kong, were to depend solely on the pleasure and commands of Her Majesty's Government; and the information called for in this Notification is required before such terms and tenure can be announced to the public"?—I think we were entitled to one or other of the propositions of Captain Elliott, and that it was upon that point that the pleasure of the Government was to be taken.

3761. Were not all the lands granted by Captain Elliott subject to the pleasure of the Crown?—Not by the public notice. Lands granted afterwards, not at the public sale, upon which no rent was fixed, had some condition of that sort attached to them; but those upon which the rent was settled, we always expected to get in perpetuity.

3762. *Chairman*.] Did you lay out money upon the land in that expectation?—I built a house of the value of 12,000 dollars.

3763. Had you done that before there was any intimation of uncertainty as to the tenure?—My house was finished by June 1843; I do not recollect any Notification earlier than 1844 to that effect.

3764. Mr. *Hawes*.] Did you purchase land under this public Notification, signed J. Robert Morrison, dated 25th of June 1841?—I did not myself; I gave 2,000 dollars for my land afterwards.

3765. Did you purchase anything under this Notification of the 25th of June 1841?—Yes.

3766. Did you fulfil the conditions of the terms of sale?—Yes.

3767. You made the outlay required within the six months?—Yes; several lots that did not incur that expense lapsed to the Crown.

3768. You bought one lot under these conditions of the 14th of June 1841?—Yes.

3769. What was done with that lot?—I have it still.

3770. Subject now to a lease?—Yes.

*William Scott*, Esq.

18 May 1847.

3771. A term of 75 years?—Yes; I have never taken up the conveyance, but my brother has been called upon, who is acting as my attorney, otherwise to be a tenant-at-will.

3772. Did you pay a deposit of 500 dollars on the 25th of June 1841?—I was never asked, and I do not think any one did.

3773. Then I understand you to say that the land sold under the notice of the 25th of June 1841, was taken up by parties who never fulfilled the conditions of the sale?—They fulfilled the conditions of sale, except that they did not pay the 500 dollars, because there was no person in the island to receive it.

3774. Were the 500 dollars tendered?—I am not aware. I did not tender them.

3775. *Chairman.*] There was nobody to tender them to?—No; Captain Elliott was resident at Macao.

3776. Have you subsequently ever tendered them?—No.

3777. Mr. *Hawes.*] Was not Mr. Morrison on the spot?—He was there subsequently.

3778. I understand you to say that the terms of sale were not fulfilled?—The money was ready if the Government chose to take it.

3779. Did you tender it to fulfil the conditions of sale?—I did not.

3780. *Chairman.*] Did you withhold the tender in consequence of the Government making that change in the tenure?—No, I should have been ready to pay at any time.

3781. What induced you not offer it?—It never occurred to me as necessary. The Government always send a notice to you desiring you to send the money to the treasury.

3782. Mr. *Hawes.*] Did you ever apply for the delivery of your title, under those terms of sale?—No, we did not think it necessary, because we were told that we were to have leases.

3783. Were not you told in the notice on the 14th of June 1841, that non-compliance with those terms would incur a forfeiture of the deposit and of the allotment?—Yes. Mr. Johnston's printed notice in the newspaper, stated that if we did not comply with the notice as to spending money upon the lots, the lots would be resumed; and I think about four or five lots were resumed.

3784. I will read over to you the terms of sale, which, as I understand, were published in the Hong Kong Gazette, on the 25th of June 1841: "They will also be required to erect upon each lot, a building of the appraised value of 1,000 dollars, or to incur upon the land an outlay to that amount, within a period of six months from the date of sale. As security for the performance of this engagement, a deposit of 500 dollars shall be paid into the hands of the treasurer to the superintendent, within one week from the day of sale, the deposit repayable as soon as an equal amount shall have been expended. Non-compliance with these terms will incur forfeiture of the deposit and allotment." Were you or not acquainted with those terms of sale?—Yes, I was acquainted with those terms; but the lots were not forfeited, nor were 500 dollars exacted for the lots not cleared.

3785. *Chairman.*] Are you aware of any cases in which the money was tendered?—No, I am not aware of any. The Government always give notice when we are to pay money, and no such notice was given to us.

3786. Did you ever claim to complete your title upon the basis of that proclamation?—No. The land office was in a very imperfect state up to the end of 1842.

3787. Mr. *Hawes.*] Up to the time, in fact, when Sir Henry Pottinger became the Governor?—Yes.

3788. Did you consider that it was a very advantageous purchase?—Yes.

3789. Then why did you not try to get a delivery of the title?—Because we had every faith in the Government.

3790. Why did you not tender the deposit and put yourselves in a condition to claim your title?—I did not think it necessary. There were other parties more interested in it than I was.

3791. *Chairman.*] It was understood that at the proper time you would be required to fulfil the conditions?—Yes. In fact the money required was immediately laid out upon the lot. In the case of Messrs. Jardine, Matheson & Company, the lot was cleared already.

3792. Mr. *Ewart.*] The main condition was to lay out 1,000 dollars upon the lot?—Yes.

3793. *Chairman.*] The deposit was only required as a security for the fulfilment of the condition that you should lay out that money?—Yes.

3794. You did not make the deposit, but you laid out the money?—Yes.

3795. Mr. *Hawes.*] Did not Sir Henry Pottinger subsequently appoint a Government committee to inquire into the claims of parties who had obtained land under Captain Elliott?—Yes.

3796. Was not each individual case sifted and reported upon?—No; the committee knew what lands had been improved, and what had not.

3797. Did not the committee go into each individual case?—I went to the Land-office, and found that my lot was correct, and I did no more about it.

3798. That is all you know individually?—Yes; there were some parties dispossessed of their lots.

3799. Was it not after an inquiry into each case?—The ground of taking the lots from them was, that they had not sufficiently improved them.

3800. But there was an inquiry into each case, and each case became the subject of special adjudication?—The committee were not very particular. For instance, I went up to the Land-office, and I merely stated that I came to inquire whether my lot was correct. I think Mr. Gordon told me that it was, and I walked away.

3801. Do you know whether all disputed claims were brought under a committee specially appointed to inquire into this subject?—I do not remember any disputed claims.

3802. Was not your claim what may be called a disputed one?—I never expected anything else but to have my land in perpetuity till January 1844, when for the first time I heard that it was to be leased.

3803. What did you then do?—We had nothing to do but to submit.

3804. Did you complain?—Yes. The papers have been handed in by Mr. Gibb, containing the objections that were made.

3805. Then there were complaints?—Yes.

3806. Was there not a committee appointed to inquire into them?—I do not remember that. I thought Sir Henry Pottinger took it all into his own hands.

3807. Are you aware that there was a committee appointed to inquire, and that each individual case was inquired into?—There were many committees appointed in the island, and several left no record of their proceedings at all.

3808. The question refers to a committee appointed to inquire into those land sales?—There was a committee advertised.

3809. Did you bring your case before that committee?—Not in the manner that I have brought it before this Committee. I went to know whether I was secure in the possession of the lot, and to answer any questions that might be asked; none were asked, and I never knew anything more of it.

3810. You were left in possession of the lot?—Yes.

3811. But the terms were altered?—There were no terms stated by that committee.

3812. Mr. *Ewart.*] What did you go before the committee for?—Any person who had squatted without having any proper title to the land, would be removed by that committee.

3813. Their decision was a kind of negative approbation of your claim?—Yes; there was nothing whatever decided by that committee about the tenure.

3814. *Chairman.*] Were you at Hong Kong at the time of the first land sale under Sir Henry Pottinger?—Yes, I was present at the sale.

3815. What intimation had the public of that sale?—A public notice, dated the 12th of December 1843, which is before the Committee.

3816. Did you inspect the leases at the Land-office?—No. A notice appeared in the newspaper, dated the 15th of January, stating that the leases would not be ready till the 22d of January, the day of the sale.

3817–18. Was every facility given, by which intending purchasers might be able to fix upon the lots they might wish to purchase?—I should say not. A map showing the lots was exhibited at the Land-office, and the lots themselves were staked out upon the ground; but there were no numbers upon them corresponding with those upon the map, by which any person might be sure of any lot which he intended to purchase. There were no roads formed

*William Scott*, Esq.
18 May 1847.

at that time, and it was very difficult, if not impossible in most instances, for any one to recognize any lot on the map which he might have fixed upon on the ground.

3819. Did you purchase any lots at the sale?—Yes, three.

3820. Had you any difficulty in finding them out?—No; there were peculiarities in the situation by which I knew them.

3821. Did you inspect the lease previously to the sale?—No; we were first made aware of its contents by an imperfect copy being read by the auctioneer as the conditions of sale.

3822. Was any remark made at the time?—Yes; Mr. Braine said that the manner of bringing forward such a document was unusual; that in sales of this importance the public should have time to consider; and he requested that the lease might be read over again.

3823. Was the lease read over again?—No; Mr. Braine was told that they were there to sell land, not to discuss points.

3824. Who said that?—Mr. Burgass, the legal adviser to the Crown.

3825. Did Mr. Braine purchase?—He purchased six lots.

3826. Did he appear to be satisfied?—No; five of those lots were partly cut off from land already in his possession; in any other hands they would have shut in the most valuable frontage of his property. The other lot had been already his, but had been resumed by the government.

3827. What were the conditions of the sale as to deposits from purchasers?—None that I heard; I have heard since that there was a deposit of 50 per cent.

3828. Mr. *Hawes*.] How soon after the first purchase was made did you bring the subject under the consideration of the Governor?—On the 4th of March 1844.

3829. What was the matter of complaint then?—It was merely referring to the conditions of Captain Elliott's sale, and objecting to leases being substituted for a perpetuity.

3830. Were you a party to the memorial presented to Sir John Davis on the 30th of August 1845, on the subject?—I did not sign the petition; I was absent at the time.

3831. You are aware that there was a memorial presented to him by the chief residents, accompanied by a memorial to be forwarded to the Secretary of State?—Yes.

3832. Was not the whole case stated to the Secretary of State in that memorial?—I believe so.

3833. What was done upon that?—I had left China before Mr. Gladstone's answer arrived, but I recollect his saying that Hong Kong had been established for the benefit of the merchants, and that they must pay the expenses. We requested that the opium farm might be done away with, but that was still continued.

3834. The question refers to the land sales, and the disputes arising out of the purchases of land under Captain Elliott's first sale?—There have been complaints from first to last.

3835. The whole question was brought before the Governor?—That letter was brought before the Governor.

3836. Do you know what steps were taken by the Governor in consequence?—No.

3837. *Chairman*.] Did you pay any deposit on the lots that you bought at that sale?—No, none were required of me.

3838. Do you object to the terms of the lease which you are required to execute?—Yes; because most of the reservations in favour of the Crown are incompatible with the enjoyment of the land for mercantile purposes.

3839. In what way?—I have a copy of the lease itself. The lease reserves all minerals, stone, marl, clay, &c., with liberty of ingress, with or without horses, to come into the premises to quarry there at reasonable times, and that any house may be taken down, if wanted for the public service, at three months' notice, and that we shall receive compensation for it by a valuation of the land-officer himself. Altogether the conditions of the lease are as hard as any conditions possibly can be.

3840. Do they differ from the ordinary conditions of leases?—I believe so. I am not familiar with leases, being a Scotchman; we do not build upon that system;

system; but I have shown the lease to one or two friends here, and they think it an exceedingly hard lease.

3841. Mr. *Harcourt.*] Was your delay in acting upon the terms originally agreed upon, at all occasioned by the letter of Captain Elliott of June the 6th, 1841, in which he stated that Messrs. Matheson and others had the intention of endeavouring to induce the Government to give them more favourable terms?—We expected that we should have more favourable terms than the prices offered at the sale. In consequence of the small quantity of land put up there was very great competition, and it was always thought that the land went much too high.

3842. Was your delay in consequence of that letter of Captain Elliott's of June the 17th, 1841, in which he makes a public declaration of his purpose, "to move Her Majesty's Government either to pass the lands in fee-simple for one or two years' purchase, at the late rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain:" was it that declaration of his purpose to communicate with the Government, which induced you to delay carrying into effect your bargain?—Very probably it was so.

3843. Had it any operation upon your proceedings; did you take it into consideration at the time that you omitted to pay the deposit?—I took Captain Elliott's letter into consideration, and expected that we should have received the land at a much lower rent than we now pay for it.

3844. *Chairman.*] Was there much competition at the sale?—Very great indeed; many parties were bidders who I am sure could not have got credit in the island for 100 dollars.

3845. Mr. *Hawes.*] That was the sale in 1844, when no conditions were known?—Yes; they were parties who had everything to gain and nothing to lose. I have prepared an analysis of that sale, pointing out who the parties were (*producing the same*); I produce it merely to show the descriptions of persons at that sale; there were no persons of any importance except one.

3846. *Chairman.*] Do you conceive that the high prices nominally obtained have done injury to the island?—Yes; they gave a most fallacious impression as to the value of land and the resources of the island.

3847. Do you think that the auction was properly conducted?—My opinion is that it very nearly resembled a mock auction.

3848. In what respect?—That parties who had no means of paying for it bid against those who really wanted the land, and those parties occupied the land while the others threw it up.

3849. Did any lots afterwards change hands at a premium?—Yes, I know of three that obtained respectively 200 dollars, 500 dollars, and 500 dollars; and many others changed hands in the same way, some of them at higher prices.

3850. If the lands changed hands afterwards at a premium, does not that lead to the inference that the prices were not too high?—Some of the choice lots perhaps changed hands at a premium, but that very soon stopped, because the Government came into competition with the holders by putting up other land at a lower rental.

3851. How long did that demand for land last?—Till the Government entered into competition with the holders.

3852. When was that competition entered into?—At the sale in January 1844, Government adopted a scale of upset prices varying between 40 *l.* and 5 *l.*, according to their distance from the Queen's Road. These, in consequence of the competition, obtained an advance of 30 to 40 per cent on the average. Government, however, in place of taking this average as the upset for future sales, continued the old; and as more land was brought forward than was required, comparatively few lots were taken off, and these either at the upset itself, or 5 *s.* to 10 *s.* above it, being an advance of 2 ½ to five per cent. The injustice of this proceeding becomes peculiarly hard, when it is to be considered that its consequences are to be continued annually to the end of the lease.

3853. Do you know what class of persons were purchasers of the lots knocked down at a nominal increase?—Principally Government officials, I believe.

3854. Mr. *Hawes.*] What date do you refer to?—The end of 1845 and 1846.

*William Scott*, Esq.

18 May 1847.

3855. Do you mean that they bought land on speculation?—They bought land much cheaper than any person buying at the first sale, in consequence of the same upset price having been continued. I possessed one lot, granted by Sir Henry Pottinger. For this lot, from some alleged irregularity, I was taxed at the average price of the sales. All the other lots put up should have been put up at the average, so that if any person wanted ground they should not have it on better terms than those who purchased at the early sale.

3856. Was there not some such condition as this, that if you were dissatisfied with your purchase at the sale, you might take it at the average price of a subsequent sale?—No.

3857. Did you never hear of that?—There was something about that, that if parties who had land granted by Mr. Johnston were dissatisfied with the rent, they might have the average price of the sale.

3858. The average price of that sale, or of a subsequent sale?—The average of that sale, I understood. The upset price was fixed at the price at which they were taxed; consequently it was against them to take any average.

3859. *Chairman.*] Do you know whether any, and if any, how many lots of the first sale in 1844 are still unbuilt upon?—I cannot state exactly, but I have marked out upon that map 26, still unbuilt upon (*pointing them out upon the map*); and some of the Bazaar lots, from which the Chinese were dispossessed, still remain unoccupied.

3860. Were the smaller lots mostly in the Upper China Bazaar?—Yes.

3861. Do you think that the land revenue of Hong Kong may be improved? It will be improved, no doubt, if the farms are done away with. At present there were 288 writs of summons out for land rents at the time the last mail left.

3862. Is the land being abandoned?—In large quantities. I have abandoned one lot for myself, after paying two years upon it; and Mr. Matheson has done the same; and I am sure many others will abandon, not only the land, but the houses upon it.

3863. Has some land upon which warehouses were built, been abandoned?—Yes, a large extent of warehouses called the Albany Godowns, the property of a joint stock company, have been thrown up.

3864. Mr. *Ewart.*] Would there be any chance of our disposing of salt from this country in China?—I am afraid not; it is a Government monopoly.

3865. It is principally bay salt that is used?—Altogether bay salt.

3866. What sort of salt is it?—Very good.

3867. Well chrystalized?—Yes.

3868. Do you think that from the state of circumstances in China it would be easy to smuggle other articles besides opium?—I do.

3869. Has the smuggling of other articles increased in China?—The only way that you get at the inhabitants of China, not in the five ports, is by smuggling. Large quantities of piece-goods were sold upon the coast before the treaty.

3870. Do you think that hereafter there will be considerable smuggling by the Chinese?—Yes. I think if Hong Kong was a free port they would carry goods to parts of China which they do not reach now.

3871. Mr. *Harcourt.*] Are the duties high enough to encourage much smuggling?—Those stated in the tariff are moderate; but I apprehend there are other duties besides, also "squeezes," which render it profitable for the Chinese to smuggle if they can. At Hong Kong we had a large trade in piece-goods, we got ready money for them, and we got higher prices than we got at Canton in barter.

Mr. *Alexander Thomas Gordon*, called in; and further Examined.

Mr. *A. T. Gordon.*

3872. Mr. *Hawes.*] YOU have heard what the last witness has stated, as to the Chinese inhabitants at Hong Kong being dispossessed by the Government; can you give any explanation of that to the Committee?—Yes. The houses built in those localities were of a very wretched description, crowded together, very filthy, very dirty, and the worst classes of inhabitants lived in them. It was originally the principal part of the town, and it was thought desirable to remove those Chinese occupants to a greater distance, where another site was prepared for them by the direction of Sir Henry Pottinger. A new location

was prepared for them. They were allowed to remain for a year rent free; they were allowed to take the materials with them; and a few dollars, I think 50, were paid them to cover the expense of removing.

3873. Are you aware of the terms upon which Captain Elliott sold the land?—I was not in China at the time, but I believe it was understood that the tenure was to be subject to the pleasure of the Crown. He intimated that he would recommend a grant in perpetuity, but that he had not the power himself to do it.

3874. Is it within your knowledge whether he took any means of making that publicly known?—It was published in the Gazette, at least it appeared in print, whether it was published by direction of the merchants or by his own direction I am not sure, but I am sure it was in print.

3875. Was or was not a committee appointed to inquire into the complaints of the holders of land, and to inqure into each case, and report specially upon it?—Yes, by Sir Henry Pottinger.

3876. Did that committee go into the consideration of each case *nominatim*, and come to a distinct conclusion upon it?—Yes.

3877. Was it made known to the parties?—No, it was not published.

3878. Were the parties aware that such an inquiry was going on?—Yes.

3879. Had they an opportunity of being heard?—They were directed to send in any statements which they had to make.

3880. Did the parties send in those statements?—Yes.

3881. Was any deposit required at the first sale, under Sir Henry Pottinger?—None.

3882. Acting under your instructions from the Governor, what reply would you have considered yourself justified in making, to any person inquiring of you the penalty for not fulfilling the conditions of the sale at the first sale?—I should have replied, that there was no penalty specified for their not fulfilling the terms.

3883. They could therefore have thrown up the lots, without any consequences to themselves?—Yes.

3884. Did or did not parties throw up the land they so obtained?—I am not aware of any having thrown up.

3885. Can you state why there was no penalty proposed?—There was such great anxiety to get land at the time, that it was thought that there was no occasion for any penalty; it was thought better to leave it free and unfettered; I believe Sir Henry Pottinger thought it advisable, from the anxiety to purchase, to leave the biddings perfectly free and unfettered.

3886. Was that policy confirmed by experience?—I think it was.

3887. You stated that you believed that none of the lots disposed of at the first sale, were now in the hands of the Government. Are you aware whether they are still in the hands of the original purchasers, or have they been disposed of at an increased or a diminished value?—I think that most of them are in the hands of the original purchasers; but I am aware of some few having changed hands, and in all cases at a premium.

3888. In the subsequent sales, was the upset price much exceeded?—I believe it was. The only sale at which I was present, was on the 1st of October, or the 30th of September last, and that sale of lands realized a large sum above the upset price. Twelve lots were put up, three of which were in a bad situation and were not sold; the rest were sold upwards of 70 per cent. above the upset price.

3889. Supposing the tenure in perpetuity had been adhered to, do you think that under those circumstances the parties would have complained of the high rent?—I think not. I think the sole foundation of the complaint was, that Captain Elliott gave them to understand that they would have the land in perpetuity. They could not complain of the price at which the land was sold; they bought it with their eyes open.

3890. If therefore that tenure had been continued, the amount of the rent would not have been a subject of complaint?—I think not.

*Alexander Matheson*, Esq. called in; and further Examined.

*A. Matheson*, Esq.

13 May 1847.

3891. Mr. *Ewart.*] HAVE you any observations to make on the original conditions on which the sales of land were made?—Yes; I want to state with reference to that first sale of Captain Elliott, that after the sale took place, the parties who bought land at the sale delayed fulfilling the conditions of the sale, such as paying the deposit, in consequence of a letter that Captain Elliott addressed to them, stating that it was his intention to move Her Majesty's Government to grant more favourable terms to the parties that purchased, than those at which he first advertised the land.

3892. Mr. *Hawes.*] Will you point out the document upon which that opinion is founded?—Here is the document. It is in a letter dated the 17th of June 1841.

3893. Where do you find that Captain Elliott says that he will recommend better terms?—He says that he will move Her Majesty's Government to grant such and such terms of sale. (*See* Captain Elliott's letter). Consequently the purchasers were deterred from taking their leases, or paying the deposits, till the result of that communication to the Home Government should be known in China. I beg further to confirm Mr. Gordon's last observation, that the parties who bought at Captain Elliott's sale could not complain of the prices which they agreed voluntarily to pay. Their great complaint is, that they obtained only leases for 75 years, when they were entitled to perpetual leases.

3894. But still they purchased subject to a reference home?—But there was not a thought in the mind of any individual present at the sale that the lease would be short of 999 years.

3895. Whilst there was no doubt in their minds upon the subject, still the fact was, that it was not promised, and it was subject to a reference home?—The reference home was talked of after the sale.

3896. The subject of the conditions of the sale became a matter of negotiation and discussion?—That was an after thought of Captain Elliott's. I merely wish to put on record that I consider myself and the other purchasers of the sale entitled to a lease of 999 years.

3897. The notification in the Hong Kong Gazette, containing the terms of the sale, was on the 25th of June 1841. The letter of Captain Elliott upon the sale of lands in Hong Kong appears to be the 17th of June 1841; and in that letter he says, "My own object respecting the disposal of lands, pending the pleasure of Her Majesty's Government, was to secure to firms and all other persons (British or foreigners) having permanent interests in the country, sufficient space for their necessities, at moderate rates, with as little competition as might enable parties to accommodate themselves according to their respective wants." Does it not follow from looking at the date of the terms of sale, and the date of that letter, that this letter gave an intimation to the public in Hong Kong, that the future tenure of the land was subject to the decision of the Home Government?—It shows precisely what the views of all parties were at Hong Kong; he speaks about a perpetual lease.

3898. But it shows also that nothing was decided; that it was a matter of reference home?—Yes, whether it should be a perpetual lease or a lease in fee. There is not a word about a short lease there.

3899. Mr. *Ewart.*] Will you state the precise words of the document?—"To move Her Majesty's Government either to pass the lands in fee-simple, for one or two years' purchase, at the late rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain." I wish to state that whether that letter was before or after the sale, the grievance of which we complain is the shortness of the lease.

3900. And the violation of what you understood to be the original grant?—Yes.

3901. What was the date of Captain Elliott's letter in which he stated that his object was to give a perpetuity in the land to the purchasers of land in Hong Kong?—The 7th of June.

3902. What was the date of the land sale?—The 14th of June.

3903. That, therefore, preceded by three days this statement by Captain Elliott?—Yes.

3904. From

3904. From your experience of the trade of China, do you apprehend that there is any probability of there being extensive smuggling carried on in any articles besides opium?—No, there is no inducement to it, because of the lowness of the duties in China. *A. Matheson*, Esq. 18 May 1847.

3905. The transit duties would not produce that effect?—No; smuggled goods would be equally liable to the transit duties.

*Robert Montgomery Martin*, Esq., called in; and Examined.

3906. Mr. *Ewart.*] YOU have been in China?—I have been in China as Her Majesty's Treasurer from May 1844 until the 8th of July 1845, when I resigned to return to England to lay before Her Majesty's Government a Report on the state of our affairs in China. *R. M. Martin*, Esq.

3907. Had you an opportunity of attending at the land sales in Hong Kong?—On my arrival in China, the first step that I took was to ascertain what were the probable prospects of revenue in the colony, and the sources from which it was derived, and on investigating I ascertained that although there had been very large sales of land, amounting to considerable sums, yet that very little had ever been paid to Her Majesty's Government. Out of the whole amount of the land sales from June 1841, amounting to 3,224 *l.* yearly, I found that up to June 1844 only 641 *l.* had been paid. In fact, on my arrival in May 1844, only 441 *l.* had been paid into Her Majesty's Treasury. Being impressed with that fact that some of the sales were fictitious more than real, I urged a deposit being called for at all future sales. Perceiving that almost every individual connected with the Government was identified with the purchase or the profits derived from building land (I think the Attorney-general and myself were the only two not connected with the purchase and sale of land), I therefore urged *bonâ fide* sales to correct what appeared to me a great evil in the disposal of the land. I also laid before Governor Davis, in June 1844, a financial letter urging that the merchants connected with the island should be allowed their land in perpetuity, as the only means of enabling them to meet the difficulties that I foresaw would be the result of the absence of trade at Hong Kong. I considered that there was a great deal of deception in the purchase of land by parties who did not really intend to hold it, and I urged deposits being called for on all future sales. I urged also that the parties who had built houses in Hong Kong, and expended so much money thereon, should receive the encouragement of having the land granted to them in perpetuity. I would take this opportunity of stating, that to the British merchants in Hong Kong great credit is due for the manner in which they seconded the efforts of the authorities to establish the colony; their public spirit and enterprise deserve every encouragement from Her Majesty's authorities in England.

3908. Have you reason to believe that Hong Kong will become a commercial emporium?—I never from the first moment expected that Hong Kong would become a commercial depôt. I have devoted 20 years of my life to the investigation of the colonies of England, and an examination of Hong Kong in its most favourable aspect induces me to entertain the opinion which I stated in my Report to Her Majesty's Government in July 1844, that Hong Kong never could become a commercial depôt; that it is unsuitable for a colony by reason of its limited size, rocky and barren structure, and incapability of producing food for one day for the inhabitants upon it; that it cannot be made a fortress, because half the harbour does not belong to England, and every island around it belongs to China; that it does not command the Canton River, being at a considerable distance from the usual entrance, and that it is totally inefficient for the protection of the trade at Canton; and in every point of view I consider the selection of Hong Kong the most unfortunate step that has been taken with regard to our position in China. It has brought discredit upon us by the occupation of such a wretched spot. But every credit is due to the merchants for their endeavours to make it a valuable possession.

3909. Does Hong Kong affect our trade at Canton or the northern ports?—The trade at Canton is entirely independent of Hong Kong, and the northern ports being open to us, no depôt is likely to be formed at Hong Kong for the purpose of carrying on trade. The formation of a colony at Hong Kong, containing the most dissolute Chinese, is decidedly a discredit to us, and operates injuriously in our relations with the Chinese government.

*R. M. Martin*, Esq.

18 May 1847.

3910. Is it necessary to maintain the present civil and military expenditure at Hong Kong, as a protection to our China trade?—By no means, I think. I have addressed a report to Her Majesty's Government on Hong Kong, in July 1844, which I beg to submit to the Committee. I have connected with it a suggestion for the reduction of the governmental establishments there. I believe it is the best means of affording the merchants a prospect of carrying out their views in the island, by reducing the governmental establishments and diminishing the taxation required. (*The report was delivered in:* vide *Appendix.*) The substance of that report is to prove the inefficiency of Hong Kong as a station for a commercial emporium, as a military station, and as a colony; and it contains suggestions for diminishing the expenditure in the different departments. I find that the estimated charge for Hong Kong for one year, 1846, was nearly 500,000 *l.* The estimate transmitted to England for civil buildings, roads, and drains, amounts to 135,050 *l.* for the year ending 31 March 1846. The Ordnance estimate laid before Parliament, dated 16 February 1846, for buildings and barracks, amounts to 124,000 *l.* The civil salaries, wages, and contingencies, to 41,000 *l.* The established military pay, provisions and charges for two regiments, about 150,000 *l.* Victualling navy, stores, and advances to the navy, 50,000 *l.*, making the total cost of Hong Kong for one year, 500,000 *l.*, and this irrespective of the share of the cost of a line of battle ship, two frigates, three steamers, two gun brigs, and irrespective of the consular and superintendent of trade charges, amounting to 40,000 *l.* The revenue received for the year 1845, was 15,221 *l.* I cannot therefore omit this opportunity of stating, that I consider such an expenditure a waste of the resources of the British treasury, and that a single frigate or steamer at Canton would be more effective for the protection of our trade than any garrison or fleet that we can maintain at Hong Kong.

3911. That expenditure of 500,000 *l.* was for one year?—Yes.

3912. That will not be continued?—No; but the estimated civil expenditure for 1847-48, for roads, drains, and bridges, is 24,302 *l.*, and for works and buildings, 4,150 *l.*, making together, 28,453 *l.* The total estimate, colonial and consular, 1847-48, is 107,755 *l.* When it is known that for a small island like that, the Governor costs 7,000 *l.* a year, and the Lieutenant-governor, 4,500 *l.*, and others charges in proportion, it is not to be wondered at that there has been great dissatisfaction on the part of the merchants there at the endeavour to raise a revenue to meet such charges. That expenditure is still going on, and the taxation proportionately increasing. The general's house alone will cost 70,000 dollars; the officers' quarters, 110,000 dollars; the hospital, 187,000 dollars; the barracks, about 250,000 dollars; and forts are also constructing to protect an island which produces nothing, and which protects nothing.

3913. Are there any means of deriving better results from the colony of Hong Kong?—I consider that it is due to the merchants who have laid out such a large capital there to free the place as much as possible from taxation, to grant them their lands in perpetuity, to reduce the rents levied on those lands, and to leave the place perfectly free, giving ample security for life and property. A few years will then determine whether it be possible to produce any commercial results from the place. I have no impression that it will, but I think it is due to the merchants to give the experiment every advantage.

3914. During your residence in China did you visit all the consular stations, and collect materials for a commercial report on China?—I visited all the consular stations, and the island of Chusan; and I laid before Her Majesty's Government a full Report, any part of which can be produced before the Committee. My object in doing so was to endeavour to expand our trade with China. I consider that by opening other ports, and by getting a commercial station at Nankin, and at the Pei Ho, and other commercial stations in China, we should materially improve our trade, and get freer access to the interior of the country.

3915. Do you think there is any chance of getting a commercial station at Nankin or the Pei Ho?—I think it would be worth the consideration of the Government to open a negotiation with the government of China, to point out that a mistake has been made in the selection of the present occupation, and to offer some equivalent advantages for having some other commercial stations opened to us, and generally to revise our treaty, which has been an extremely unfortunate

unfortunate one. It was originally prepared by Mr. Poulett Thompson and Mr. Deacon Hume at the Board of Trade, and sent on shore at Nankin without any alteration whatever; and its provisions were subsequently materially restricted by means of the supplemental treaty, which isolated Hong Kong from all the surrounding ports.

3916. Do you think that our commerce with China is capable of increase, either as regards exports or imports?—I think a more free intercourse with China would develope resources that at present we are unacquainted with. I think China possesses large quantities of precious metals, which if worked would afford a considerable means of remittance to this country. I understand that sugar might be made an article of commerce and export from China; and if our East India ships were permitted, on proceeding to Amoy and other places, to load with sugar for England, although they have Lascar crews, it would be a means of furnishing return freights to this country irrespective of tea. If those ships were permitted to come to England with sugar, which the existing navigation laws prohibit in consequence of their being manned with Lascars, it would benefit the trade of China. I particularly wish to see the coasting trade carried on more extensively by English vessels.

3917. Have any other means occurred to you of extending our trade with China; is there any other article that China can send us besides tea and silk?—I have mentioned sugar; hemp is another article. There are various branches of manufactures, though small in amount, that might be extended.

3918. Do not you think that probably the result of our intercourse with China will be something the same as the result of our intercourse with India, namely, that we shall undersell their manufactures and take their raw produce in increased quantities in return?—In cotton manufactures we can undersell them all; probably also in some of their silks of a lighter description; but there are commodities of different kinds in China, I have no doubt, with such an immense population, which would be discovered by greater freedom of intercourse.

3919. From your recent intercourse with China, what conclusions have you been led to draw as to the present state of the Chinese empire?—My present impression is, that it is in a state of decadence, and has been so for two or three centuries; that it is extremely loosely held together, and its government exceedingly weak; and that by a proper representation on our part to the authorities at Pekin, we could obtain freedom of intercourse with other parts of China, and freedom of intercourse with the interior; that it would be for the benefit of the Chinese as well as the English that a freedom of intercourse should be established.

3920. Would it, in your opinion, be practicable to open a negotiation for the establishment of a British resident at Pekin?—I think so. The Russians at present have an establishment there; we might, I understood, have had it or anything else at the time of the treaty of Nankin, if we had applied for it.

3921. Do you think that the Chinese government would be adverse, on religious grounds, to a more intimate intercourse with Europeans?—I think not; there has been recently an edict granted by the Emperor tolerating Christianity, and ordering the restoration of the temples that were formerly confiscated. Any hostility that might be experienced would be principally from the Tartars, not from the Chinese. In all the northern cities of China we are received in the most friendly manner. The only hostility manifested has been at Canton, and to some extent at Foo Choo Foo, where a Tartar garrison has been established.

3922. Why are they more hostile to us?—Naturally as being a handful of people holding despotic control over China.

3923. Do the Chinese government feel any indisposition towards this country in consequence of the opium trade?—My impressions upon that subject are very strong with reference to the injurious effects of it nationally. I have made a report thereon to Her Majesty's Government, and with great reluctance refer to the point, because I have the misfortune to differ from several English merchants connected with the opium trade in China; gentlemen of high character and standing. I do not wish to make use of my position before this Committee to state the injurious effects of opium, as I believe it does not come particularly within the province of the Committee. If they require it I will do so, but I am unwilling to state anything in opposition to the proceedings of gentlemen for whom I entertain respect. I think that the extensive use of opium in China diminishes the possibility of selling our manufactures. Mr. Norton, in his

*R. M. Martin*, Esq.

18 May 1847.

his evidence before this Committee, has put the case very clearly, by showing the balance of trade, which is against China, and paid for in precious metals. I inquired of the Toutai at Shanghai what would be the best means of increasing our commerce with China, and his first answer to me, in the presence of Captain Balfour, Her Majesty's consul, was, "Cease sending us so much opium, and we shall be enabled to take your manufactures." I think there cannot be a doubt that if we could supply the Chinese with three to four millions of manufactures instead of opium, they would have better means of purchasing than if they expended the money in buying opium.

3924. Would you propose, on the part of this country, an absolute prohibition of the importation of opium into that country by any of our subjects?—I would, on the same ground that the slave trade is prohibited. I think we are bound by the relations in which we stand to China, not to persevere in carrying on that trade at Hong Kong, for the abolition of which the government of China are particularly anxious.

3925. Would not your reasoning apply to trading in spirits, or any other deleterious article?—Spirits are not deleterious; spirits contain the element of life; opium does not contain those elements. Every nation that has yet made any advance in civilization, uses spirits.

3926. Ought not the Government of this country therefore to interdict the introduction of opium into this country?—It is not used to an excess.

3927. But it is used?—Only I believe as a medicine; at least, its use otherwise is a very rare occurrence.

3928. Are you not aware that it is used in this country for other purposes besides medicine?—I have examined the Custom-house returns, and I have seen no greater increase than the augmentation of the population would warrant.

3929. In fact you would interdict the introduction of opium entirely into China by our subjects?—I think we are bound to do so by our treaty with China. I would disconnect Her Majesty's Government with it.

3930. Mr. *Harcourt.*] Do you suppose that in the opinion of medical men, the use of spirits is not deleterious to health?—In moderation it is beneficial to health, and the best proof of that is, that every nation that has advanced in civilization uses fermented liquors, but every nation that used opium has gone to decay; witness Persia, Turkey, and China.

3931. Do not you imagine that opium may be used medically as well as spirits?—The medical use is altogether a different thing; the impossibility of maintaining moderation in the use of opium is admitted.

3932. Mr. *Ewart.*] If the use of opium were restricted to medical purposes, how are you to prevent its coming in under that name to a great extent?—In this country it would not be necessary to restrict it, because the moral habits of the people are adverse to such a deleterious drug; in China its prohibition has been found necessary as a moral question, and partly as a financial. There is no doubt of the sincerity of the Chinese government in their efforts to put down opium, for when Governor Davis drew up a paper with great ability urging the legalized introduction of opium into China, that paper, on being submitted to the Emperor, had this answer appended to it: "It is true I cannot prevent the introduction of the flowing poison; gain-seeking and corrupt men will for profit and sensuality defeat my wishes, but nothing will induce me to derive a revenue from the vice and misery of my people."

3933. Do you think it would be possible to prevent the introduction of opium into China?—I do, by the concurrence of the governments of England, America and France.

3934. And of other countries?—Those three countries would do it efficiently, I think.

3935. Would not Holland be important?—Holland has very little trade; if those three countries made it a prohibition they would entirely put it down. With regard to the question as to the use of opium, I felt bound, as a member of the council, to dissent from its introduction into Hong Kong, and I should be glad to put on record my dissent; it states some of the grounds on which I dissent.

3936. Sir *G. Staunton.*] Did you propose that the opium trade should be left entirely free?—I objected to the Queen's Government being in any way identified with the opium trade in Hong Kong; merchants in their dealings therein would act according to their private consciences.

3937. Mr. *Ewart.*] Then you did not propose to interdict the trade on the part

part of the merchants?—Not at all. I object on the ground that the Queen of this country, as a Christian Sovereign, ought not to sanction the opium trade.

3938. Do you extend that to a company like the East India Company, who cultivate the article as a monopoly?—Quite so.

3939. Sir *G. Staunton.*] Would not the effect of that be rather to give greater facility to the opium trade?—Granting even that it does, it disconnects the Government of a Christian country with what I consider to be a vice. I do not think that any government professing Christianity should be connected with a vicious means of indulgence.

3940. You do not contemplate any positive prohibition at Hong Kong?—Had I the power, I would. I was not called upon to propose such.

3941. Mr. *Ewart.*] You merely spoke as a Government officer?—As a member of Her Majesty's Council; I put in a dissent which was written a few hours before carrying it into the council; I will deliver in a copy of it.—(*The same was delivered in.* Vide *Appendix.*)

3942. In what respect do you think the opium trade injurious to us, in our relations with China?—Politically, with reference to our position with the government of China. Had France, or America, or Russia, granted us an island on their coast, as a commercial station, and had they prohibited the use of opium, believing it to be injurious, we dare not in that case have made it a smoking shop for the empire; and I would not act to the Chinese government in a different manner than I would act to a government in Europe. Then socially speaking, I believe it is the duty of this Government to uphold moral principles, and to disseminate religious truth, and she cannot do that with one hand, while on the other she is introducing into China an amount of opium, which furnishes 17 grains a day to each of three millions of people, and which, in the language of Mr. Lay, Her Majesty's late consul at Amoy, is "hamstringing the nation;" that was the expression of Mr. Lay. I think it is desolating China, corrupting its government, and bringing the fabric of that extraordinary empire to a state of more rapid dissolution. Commercially speaking, it is injurious to us, because it prevents the extension of our manufactures in China. Four or five mercantile houses are engaged in that traffic, and derive a large amount of income from it; but the trade in England is materially cramped, by the extension of opium consumption in China, to the extent of at least four millions sterling.

3943. Viscount *Jocelyn.*] Do you believe that our Government refusing to have anything to do with the opium trade, would tend to put a stop to it?—I do not think it would immediately.

3944. Would it put a check to the trade?—It might have some effect upon the consciences or moral feelings of men if there were general opprobrium thrown on it by the Government; though, of course, a few individuals for gain, might always afford means of obtaining it.

3945. Do not you think that it would lead to an unhappy state of affairs if there were a perpetual war going on between the people bringing opium to the shores and the Chinese government?—It was not so when Commissioner Lin took the steps that he did; there was not a possibility of selling a chest of opium along the coast. The compradors that went ashore at different ports were seized, and it was known that the opium that was taken possession of at Canton could not be sold, and that that was a great benefit to the English traders in opium.

3946. Do you believe that at that period there was no opium sold along the coast of China?—I understood from the persons engaged in the traffic, that there was a complete cessation of it; they could not sell the opium.

3947. Mr. *Ewart.*] But you cannot speak from your own personal knowledge?—I speak from the evidence of captains of ships, and those engaged in opium vessels.

3948. But you cannot have seen all the captains of ships who traded along the coast?—I think I consulted seven, if not eight.

3949. Viscount *Jocelyn.*] Would not you allow that if such a state of things was likely to arise, it would be more injurious to our trade with China than the Government to a certain decree acknowledging the trade?—Certainly not; our main trade at present is in tea, and the Chinese are as much dependent upon the sale of tea as we are upon the purchase of it. During the war, when we were capturing their cities, the tea trade went on as usual; therefore the

*R. M. Martin*, Esq.

18 May 1847.

efforts of the Chinese government to put down the opium trade would not affect our trade.

3950. You do not think that a state of things which would lead to a piratical system in China would be injurious to our trade?—I do not perceive that it would have that effect.

3951. You admit that the people would have opium; then if the government did all it could to suppress the opium trade, must not the result of their carrying out their views be a piratical state of things?—It would lead probably to severe contests, as in the recent melancholy case, where two vessels were cut off at Chimmoo Bay; but probably the Government of this country would be bound to interfere to prevent its flag being used for the purpose of smuggling opium into China against the laws of that empire.

3952. Mr. *Ewart.*] Have any other means occurred to you of extending our trade with China?—I think a great deal may be done by opening collateral intercourse with the nations surrounding China. The first country to which I would beg the attention of the Committee would be Japan; we had formerly a factory in Japan, and in 1613 the Emperor of Japan granted a treaty of privileges to this country of a most favourable nature. I have discovered in the British Museum a copy of that treaty, a translation of which I beg to give in. It is written in the Firogane character, and gives us perfect freedom of access for all goods to Japan. We were ultimately compelled to abandon that factory by the aggressions of the Dutch, but for many years the Japanese government retained the English factory for them. I think it is possible to reopen our intercourse with Japan on the basis of this treaty, and that a mission, undertaken as Great Britain ought to undertake it, would be effectual in obtaining for us even better terms than the Dutch now have at Nangasaki. I will hand in the translation of the treaty. (*The same was delivered in.* Vide *Appendix.*)

3953. This original writing is still intelligible to the Japanese?—Yes.

3954. And therefore this instrument might be the basis of a negociation with them?—Yes; the Japanese are very strict in adhering to promises.

3955. How has the treaty been translated?—The translation is along with the original in the British Museum. A letter was also written from the Emperor of Japan, accompanying that treaty, to the King of Great Britain. There is an old translation of that, of which I will hand in a copy. (*The same was delivered in.* Vide *Appendix.*) The position of Japan, as evidenced upon this skeleton map (*producing a map*), shows how advantageous would be the intercourse with reference to China, and to the intermediate peninsula of Corea. Corea is a peninsula of about 500 miles long and 200 broad, with a fine climate, an excellent soil, and an industrious people; it would afford to us a considerable outlet for our manufactures. A harbour named Chosan, near the south-east extremity of the peninsula, has been visited recently by Sir Edward Belcher. It is a harbour to which the Japanese resort for trade with Corea; and as Corea does not belong to China, but has merely a ceremonial of investiture on the accessions of its sovereigns, it would be perfectly free for us to enter into commercial arrangements with Corea without any negociation with the Chinese government. On Lord Macartney's mission in 1792, he was instructed to open a communication with Japan, Cochin China, and all countries, but the state of affairs prevented it. The French have recently sent a mission to Japan, but more complimentary than for the purpose of any commercial intercourse. The Americans have recently sent a mission, but they have been refused intercourse, for they are viewed as inferior in rank to the English, and probably it would not be deemed courteous to give the Americans access to Japan, when England has not yet applied. I learned at Java recently, from a Dutch gentleman who had returned from Japan, that the Japanese were expecting a mission from England, that they had translated the whole account of our war with China, and that it would be a favourable opportunity to make an impression upon the Japanese authorities, and to obtain commercial intercourse with Japan. Those islands may be termed the Great Britain of the China seas; they contain about 35,000,000 of inhabitants far more civilized than the Chinese, whom they hold in contempt; in fact they only permit six Chinese junks a year to visit them at one port, Nangasaki.

3956. And only one Dutch ship?—Two is the number now.

3957. Have you examined the past and present intercourse between Holland and Japan?—I have reported on it to Her Majesty's Government.

3958. Can you give the Committee any further information as to our former relations with Japan?—We had a factory there, and we were exceedingly well received.

3959. For how long?—From 1613 to 1623. We were then expelled by the conduct of the Dutch, which was somewhat similar to the massacre at Amboyna, and they obliged our people to retreat from Japan.

3960. What is the result of your inquiries into the trade been Holland and Japan?—The trade with Holland has diminished latterly, in consequence of the monopolizing spirit of the Dutch government; they are restricted to a single port at Nagasaki; but if we had free intercourse with the capital, with Jeddo, I think a very large trade might be carried on, not only with Japan, but intermediately with the adjacent places.

3961. When did the ship called the "Morrison" go there?—I think the date was 1837; she went there on a mission from Canton, but was unsuccessful; no efforts were made to prosecute it. There is an island marked on that map, called Quelpaart's Island, which is worthy of attention as a trading station.

3962. Is Quelpaart's Island, which is south of the peninsula of Corea, a good trading station?—It is. The circumstance of its geographical position renders it most advantageous for a trade with Japan, with Corea, and with China. I understand that the country is fertile, and is covered with cattle; some of our ships visited it during the war, and obtained supplies there. If it were made a commercial trading station under the protection of a 10-gun brig, not expensively established as a colony, I think it would afford the means of trade with all the countries around, and time would indicate its value.

3963. What is its relation to China?—It has no relation to China; it is connected with Corea.

3964. Is it under a kind of feudal investiture?—No, it is a mere appendage to the peninsula of Corea.

3965. Corea you state to be a country connected directly with the crown of China?—Only so far directly that the sovereign of Corea receives his investiture on coming to the throne, and sends annually some present to Pekin. The Coreans carry on trade at Pekin, but they are perfectly independent in their relations, and have been at war with China and with Japan.

3966. Is it something like the Pacha of Egypt and the Turkish government?—It is probably so. It would be a great advantage to our merchants if they had Corea open to them for their traffic.

3967. Quelpaart's Island would be a good position, having on one side China and on another the peninsula of Corea, and as a third side the Japan Islands?—Yes; I am not speaking of it as a colony, but as a trading station. After a few years it might be seen what advantages were realized; but in order to carry on a trade with the northern regions, it would be necessary to repeal the Act which prohibits British ships or subjects going beyond the 32nd degree of north latitude.

3968. Is that part of the present stipulation with China?—Not at all; it is a gratuitous Act, restricting ourselves. I never could understand what was the object of preventing British merchants seeking to push their wares into the northern regions. It is an Hong Kong Ordinance, No. 1, of 1846, creating penalties for any ship going beyond the 32nd degree of north latitude. The Ordinance was founded on an act of the Privy Council here originally.

3969. And not based upon any understanding with the Chinese government?—Upon no treaties. There is another region to which a collateral trade might be carried on, and that is the region of Siam and Cochin China, extending South of China.

3970. There are also the Loo Choo Islands?—They are small; Manchouria would form a station for our coasting traffic. Siam and Cochin China it is estimated contain a population of 50,000,000. We have a treaty with Siam, but it is so imperfect, that it has never been acted upon. It requires ships to take their guns out, &c. It appears to be subject to restrictions which would prevent the English merchants carrying on the trade. That treaty, I believe, is not known at the Foreign Office; I obtained it at the India House.

3971. Was Mr. Crawfurd agent at the time it was made?—Mr. Crawfurd was agent.

3972. Was it between the King of Siam and the East India Company?—Yes. But it is held valid by the Crown of England.

*R. M. Martin*, Esq.

18 May 1847.

3973. Would not it go to the Board of Control under Mr. Pitt's Act?—Yes, the Board of Control, certainly. There is a treaty between the United States of America and Siam on the 3d of March 1843, which is an excellent treaty, and is in operation. A considerable trade is now carrying on under it. I will hand in a copy of this treaty. (*The same was delivered in.* Vide *Appendix.*)

3974. Do the Americans carry on any trade with Siam now?—They do, and are endeavouring to do so with Cochin China; and there is a large supply of sugars, &c. to be obtained in those countries.

3975. Have you any remarks to make upon the trade between Singapore and China?—I have some Returns prepared of the trade between Singapore and China for 10 years; it is an increasing traffic.

3976. What does it consist of principally?—In what is termed Straits' produce, which consists of rattans, rice, drugs, dried fish, birds' nests, and various commodities. These Returns have been prepared for me by the Governor of Singapore, which will illustrate the trade of China and Singapore; they contain both the values and the quantities. (*The same were delivered in.* Vide *Appendix.*) I obtained from the collector of customs at Bombay the official Returns of the trade between China, Bengal, and Bombay, giving the quantities and the values. These are the official Returns transmitted to me by the collector of customs at Calcutta and Bombay. (*The same were delivered in.* Vide *Appendix.*)

3977. Is the cotton trade increasing now from India to China?—The cotton trade has diminished. The Americans have been pushing the trade in raw cotton from the United States.

3978. Is that an increasing trade?—It has fallen off the last year; but for several years it had been slowly increasing. The quantity of cotton twist that goes to China diminishes very much the importation of raw cotton from India.

3979. The quantity of cotton twist imported into China increases?—Yes.

3980. From whence?—From England and from the United States.

3981. The supply of China itself, of raw cotton, and cotton twist, for its manufactures, is insufficient?—I should think so; the importations have increased very largely.

3982. Do not they grow very fine cotton there?—Yes; but insufficient for the population. In the northern districts of China, the people are clad in sheep skins or cotton quilt.

3983. Have you any means of judging of the extent to which we might push the trade in woollens with China?—If we had stations to the northward, they would be advantageous for that purpose. In the southern districts the people are clothed in cotton.

3984. Does not Shang-hai, by opening more communication with the north of China, enable us to send our woollens to the northward?—Yes; but not so well as if we had a station at Tientzin, the port of Pekin.

3985. Would not the Chinese object to our coming so near the capital?—The Tartar government might object to that, but there is in some of the Chinese statesmen a desire to cultivate relations with England.

3986. Have you prepared a report upon the tea trade?—I have prepared and submitted to Her Majesty's Government a report on the tea trade. On proceeding to China, it was stated to me, that any information which I could collect, and any reports which I could make, would be acceptable to Her Majesty's Government, and I prepared this Report and this Table, a copy of which I beg to lay before the Committee. (*The same were delivered in.* Vide *Appendix.*) I should state that I have the misfortune to differ from the opinions which have been promulgated before this Committee with reference to the reduction of the duty. The evidence of that Table is to demonstrate that the tea consumption has increased in this country irrespectively of the duty levied by the Government. In the last five years there has been an increase of 10,000,000 of pounds, therefore, showing that it is not the rate of duty which impedes the consumption. If the Government could afford to give up a portion of the 5,000,000 *l.* of duty levied upon tea, it would be an experiment; but I do not believe it would reduce the price of tea, or benefit the commerce of the country.

3987. Would it not increase the consumption of tea?—I do not think it would. I think tea is a very peculiar article as to its consumption; that it is out of the category of sugar and other commodities, and that mere cheapness of price

price will not cause an increased consumption. I am prepared to offer evidence to show that in different countries in Europe, where tea at one time was largely consumed, yet though no duty was levied, the consumption entirely fell off.

3988. Owing to what causes?—Change of taste. In the United States latterly there has been no duty, and the consumption of tea has not increased in any proportion whatever; and therefore the duty, which must be maintained by the Government for its revenue, may as well be levied on tea as on other commodities. I, for one, would rather see the people of this country possessed of the means of obtaining malt liquor free than tea cheap; it would be more beneficial to the working classes to have beer cheap than to have very cheap tea. I consider the excessive use of tea injurious. In the case of our factory population living on vegetable diet, the using tea largely produces a very deleterious effect upon them.

3989. Have you any other observations to offer upon our trade with China? —Not beyond this; that it would be exceedingly advisable for Her Majesty's Government to dispatch a mission to China for the purpose of obtaining a modification of the treaty, perfect freedom of intercourse, and the opening of other ports to the northward.

3990. And you believe that such an attempt would be successful?—I believe that if properly conducted it would be highly beneficial, and would be met with a feeling, if not of very cordial amity, yet at least of a desire to hold friendly intercourse with us.

3991. Sir *G. Staunton.*] Do you consider that the present decay of trade at Hong Kong arises from unavoidable circumstances, or that there is any change of system which the Government could adopt that might restore it to a state of prosperity?—I have no desire to avoid giving an answer that question, inasmuch as I think there have been strong expressions against the existing mode of government in Hong Kong. I believe that the Honourable Baronet who is at the head of Her Majesty's government in China, is a gentleman of great intelligence, of good business habits, and not indisposed to carry out the most beneficial measures for the interest both of the government he represents, and of the community over whom he presides; I think the difficulties that have arisen have been difficulties arising rather from the nature of the place, than from the measures adopted. I very much regret that Sir John Davis did not more directly look in the face the very great difficulties which he had to contend with, instead of endeavouring by a system of taxation and legislation to raise up the place to what was expected. I think it has been unfortunate for himself, and has caused a great deal of the disappointment that has ensued. I entertain for Sir John Davis in many regards a respect, and though I had the misfortune to differ with him upon the question of opium, and was compelled to resign my position in Her Majesty's service because I was refused by him six months' leave of absence, I think Sir John Davis under other circumstances would have made a good governor.

3992. Supposing that in raising the present revenue he acted under instructions from home, you do not see how a similar revenue could be raised in any other manner more satisfactorily to the colony?—Had the Governor used his discretion in representing that it was not possible to raise a revenue without diminishing the commerce or injuring the merchants in their endeavours to make the place more available for trade, I think he would have exercised a sound discretion. It was an endeavour to realize the representations which had been made. For instance, Her Majesty's Government were informed that Hong Kong would be the Carthage of the east. In another communication they were informed that it would have a population equal to ancient Rome. On another occasion, Governor Davis informed Lord Stanley that he believed Hong Kong would ultimately supersede Canton; and the constant endeavour to realize those expectations led to a continued system of taxation, an unfortunate desire for legislation, and an unnecessarily expensive system of government. This produced irritation on the part of the merchants, who smarting under their losses, felt more irritable at every transaction; and thus there has been produced an unfortunate state of feeling between the community and the Governor.

3993. But supposing this revenue is required to be raised, you are not aware of any other manner in which it can be accomplished with satisfaction to the

*R. M. Martin*, Esq.

18 May 1847.

colony?—It is impossible to raise a revenue from such a place. The endeavour to squeeze as much as possible out of a poor struggling settlement necessarily causes irritation. There is not a respectable Chinese inhabitant in the island, and never has been. A person engaged in the opium trade, named Chinam, built a hong there, and shortly after quitted the place; but no respectable Chinaman will live at Hongkong.

3994. What you would recommend, would be to abandon the design of raising the present revenue at Hong Kong?—I would not attempt to raise any revenue beyond a moderate amount of land rent, and give security to life and property.

3995. The registration system has been stated to be very objectionable; do you concur in that opinion?—I objected to the registration system in the first place as regards Europeans; I did not think they ought to be placed like ticket-of-leave men at New South Wales. I objected to it secondly, as levying a tax upon the Chinese. And I particularly objected to the most obnoxious proposition of branding them upon the cheeks.

3996. And which has been abandoned?—Yes. But the registration system has been ineffective, even with those modifications.

3997. And therefore you recommend the entire abandonment of it?—Yes.

3998. And you think that could be done consistently with the security of persons and property in the island?—There has been little security, and there is still less at present. The very last mail shows that individuals cannot walk outside the town unarmed.

3999. Would you suggest any remedy for that evil?—I would give the Chinese shopkeepers there somewhat the management of their own people. There is an excellent municipal local system in every town in China, and I would endeavour to make the Chinese in Hong Kong supervisors of their own people, and give them some little rank of office, in order that they may exercise a surveillance over their own people.

4000. You think an effective police may be constituted upon that principle, so as to control the evil-disposed population, and at the same time not to discourage the respectable population?—Yes; I would leave it as much as possible in the hands of the Chinese themselves. At present the police are composed of Europeans and Lascars; the gentleman at the head of the police is an efficient officer from London, Mr. May; and though I have heard observations made respecting the police squeezing the inhabitants, my impression is that that gentleman is a most trustworthy character, and would be the last to sanction such a proceeding; but I would have some Chinese police.

4001. You do not think it necessary to have any registration for persons visiting the island?—It is impossible, from the contiguity of the island to the mainland; it would be like an attempt as between one side of the Thames and the other, with boats going constantly backwards and forwards.

4002. Viscount *Jocelyn*.] Do you know anything of the village administration in China?—It is maintained by a system of head-men. Their municipal system appears to be almost perfect, and to be one of the means by which that vast empire is kept together.

4003. It is very similar to the village system in India?—Yes. I would try it in Hong Kong.

4004. Do you think you could get respectable Chinamen to take the office of head-men in the villages?—There are shopkeepers and inhabitants of that kind in Hong Kong to whom I would entrust the power. I would constitute them a petty bench. I think such an arrangement would be popular, by showing a disposition to grant the Chinese power, and to make them respect themselves. I beg to add, that it is much to be regretted that we have not retained possession of Chusan, and if any negotiation were opened with the Government of China, it would be very desirable to retain possession of that settlement, one of the most advantageously situated islands which I have seen in that part of the world. If we had the power of placing an island in any part of the globe, which for political and commercial objects would be an eligible position for England, we could not place it in a spot equal to that of Chusan.

4005. Sir *G. Staunton*.] But you do not consider, that under the provisons of the treaty, it would be possible to retain it?—Quite so. Lord Aberdeen informed

informed me, that Chusan should not be evacuated till Canton was opened; but nevertheless Chusan has been evacuated, but Canton has not been opened. *R. M. Martin*, Esq. 18 May 1847.

4006. Viscount *Jocelyn.*] Do you believe that for commerce it would have been important to have kept the island of Chusan?—Probably not as regards the Yang-tse-kiang; but with regard to other places, Japan, Corea, Mantchouria, all the northern districts of China, and Formosa.

4007. Do you remember whether, after Shang-hai was opened, the trade of Chusan did not nearly cease?—That was because no vessel was allowed to go to Chusan; it was not within the terms of the treaty. A vessel could not come from one of the other ports in China to Chusan.

4008. Before Chusan was given up, immediately that Shang-hai was opened, what was the effect upon the trade at Chusan?—The trade at Chusan was drawn off to Shang-hai. The reason that there was none at Chusan was that Chusan was not permitted to be included in the trade which we were then carrying on. It was held merely as a guarantee.

4009. Mr. *Harcourt.*] We have been told by witnesses that it would have required a considerable employment of troops to have retained possession of Chusan. Do you agree in that?—Not at all; the very reverse. First with regard to the police. The police did not cost 100 dollars a month. There was not a homicide in the island while we possessed it; and the value of all the property stolen did not exceed that stolen in a single night at Hong Kong. Secondly, with regard to troops, it is more easily defended than Hong Kong; and the inhabitants being ordinarily of the agricultural character, required less means of keeping them in order. There is a fort called Joss House Hill, which, with a few troops, would give complete protection; whereas, with regard to Hong Kong, we never could defend it: half the harbour does not belong to us, and no garrison we could keep there could defend it. At Chusan I believe a frigate and a single regiment would be a sufficient protection.

4010. Mr. *Ewart.*] Do you think that while access is allowed to the towns on the main land, it is likely that an island at some distance would become a depôt of commerce?—I spoke of its being a depôt from other places; but with regard to our access to places on the main land, it is as if a Chinese merchant were allowed to come to Gravesend, instead of London; to Pill, instead of Bristol; to Greenock, instead of Glasgow; we are only at the very outskirts of the Empire, not in the commercial cities.

4011. With what commercial cities do you think we should open further communication?—Soochoo, of which Shang-hai is the port; Nankin, Tching-kiang-foo, Tientzin, Kiang-sing, and Tchang-foo, of which Amoy is the port, and the cities above Canton. There are two large cities on the river above Canton to which we should have access.

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*Jovis, 20° die Maii, 1847.*

MEMBERS PRESENT.

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| Dr. Bowring. | Mr. Moffatt. |
| Mr. Brown. | Mr. Parker. |
| Mr. William Ewart. | Mr. Spooner. |
| Mr. Hawes. | Sir George Staunton. |
| Viscount Jocelyn. | |

WILLIAM EWART, ESQ. IN THE CHAIR.

*Samuel Marling*, Esq. called in; and Examined.

4012. *Chairman.*] WHAT is your business?—I am a Woollen Manufacturer, at Stroud. *S. Marling*, Esq. 20 May 1847.

4013. Have you been long in the woollen trade as connected with China?—About 10 or 12 years connected with China; about 14 or 15 years altogether.

4014. Mr. *Spooner.*] You are a manufacturer?—Yes.

4015. Do you export, yourself?—We export, ourselves, but through a London house, having agencies in China.

*S. Marling*, Esq.

20 May 1847.

4016. *Chairman.*] What is the state of the demand for goods for the China market, in your district, at present?—At present it is almost annihilated. Some 20 or 30 years ago there were upwards of 30 mills employed, many of them wholly, and others to a great extent, and some only partially, in manufacturing woollens for China; and till within the last three or four years that manufacture has been going on with various fluctuations; during the last three or four years scarcely anything has been done, on account of the unprofitable nature of the shipments; the returns have left so heavy a loss that the manufacturers have turned their attention to other things.

4017. You attribute that to the difficulty of disposing of the returns which come from China?—Up to the year 1841, the results of our shipments to China were profitable; so much so, that in the year 1840 we purchased large mills, for the purpose of going into the trade to a greater extent than we had done, but before we could get those mills to work the results were very disadvantageous, and we have done scarcely anything in that trade since, and have confined ourselves to our old trade of making fine West of England cloth. The result has been, in our district, that whole parishes are thrown out of employment. In one case there is a whole parish where there were 12 or 14 mills employed in making goods for China the last 15 years, and where they are not now making a single yard of cloth for China: I refer to the parish of Painswick.

4018. How long had they supplied the China market?—I am speaking now from what has been stated to me; I should think for 50 years, to a certain extent.

4019. Mr. *Spooner.*] When you speak of the state of the trade for 30 years, you speak from what you have heard?—Yes.

4020. How long do you yourself recollect the trade?—I have been engaged in it 13 years.

4021. Was your father in it before you?—Yes.

4022. *Chairman.*] In your time there has been a great decline in the trade?—To a most serious extent; hundreds and thousands of the people have been thrown out of employment. The woollens for China being of a much coarser and less substantial character than is used in England, those engaged in that manufacture are not well adapted for making other goods, and they have been scattered entirely.

4023. What was the state of the woollen trade with China under the monopoly of the East India Company?—It was a very much larger trade; more than we have now. After the Company's monopoly ceased, a certain time there was an increase.

4024. How long did that increase last?—Two or three years only, I should say.

4025. Mr. *Spooner.*] Is the trade now smaller or greater than before the monopoly?—Smaller.

4026. Can you state the proportion?—I should say not one-third; in fact, at present there is hardly anything done.

4027. *Chairman.*] What remedy do you suggest for the evils of which you complain?—Our goods have always been sold at a profit in China, and they could be sold at a profit in China now, but our losses are on the returns; if we could see a probability of getting a fair average exchange for the dollar in returns, whether of silk or tea, or any other produce, I could immediately, and I should immediately employ 300 or 400 hands in manufacturing for the China trade.

4028. Mr. *Spooner.*] If they sent you dollars from China, would not those return you a profit now?—Yes. A very singular instance of that occurred in the last transaction that we had with China, in the year 1844. For two or three years we had been sending out instructions to our agents, that unless they sent us home bills, we should entirely discontinue the trade; they made an effort, and sent us home bills, and those bills left us a very fair average profit.

4029. What year was that in?—That was in the year 1844. We wrote out to them, saying that that was the sort of trade we wanted, and if they would continue that, we should go on sending them goods to a very large extent: they said they could not promise us that, but they would do their best. The house to whom we shipped, Messrs. Rawson & Company, told us afterwards

that

that they found it impossible to send bills, and unless we could take produce, we must keep our goods at home, for that those bills they sent us were the result of teas shipped to this country by a Chinaman, and that those teas left a loss to the Chinaman of 30 per cent.; and therefore there was an end of that. We felt that the loss had been borne by the Chinaman instead of by us. If they had sent us the tea at the market price at Canton, we should have borne the loss.

4030. *Chairman.*] If there had been opening in the English market for that tea, would it have paid you?—I imagine that it would, because then the price would have been higher. I wish to call the attention of the Committee to the injustice of prohibiting the Chinaman from exporting the produce of his country here by such enormous duties: he had to pay upon the tea a duty of more than 100 per cent.; and I believe that the excessive duty was the entire cause of the loss to him. Since that, we have not shipped anything to China.

4031. Then you suggest a reduction of the duty on tea, as a remedy for the evils of which you complain?—Decidedly; and I know well what the habits of the working classes are around me; I employ seven or eight hundred, and I know that their taste is decidedly for tea, in preference to anything else. They can obtain it with very great ease at the manufactory, merely by getting a little hot water, which we have conveniences for giving them at their meal-times. I am certain I am speaking within limits when I say, that if the price were reduced to something like two-thirds what it is now, they would consume at least three times the quantity of tea; they are extremely anxious that the duty should be reduced. There are a great many females and children employed in the manufactories, and the men are for the most part a very sober moral class; they reside not in towns, but the mills are scattered through the valleys; they are not at all congregated together; they live in their own cottages, each having his own garden, and that has induced a system of morality which does not prevail in most manufacturing districts; they are extremely fond of tea, there is nothing they like so much, and they have often spoken to me about the extreme injustice of the present high duty, and they are very anxious that the duty should be reduced.

4032. Do you adopt the plan of having a kind of store for the supply of the operatives in your employment?—I should very much like to do it, but there is a prejudice existing in the country generally against anything like an approach to truck shops, and nothing of the sort has been done; but I believe it could be done with very great advantage to the working classes if properly conducted, but the system would be liable to great abuses if not fairly carried out.

4033. The plan referred to is one in which a committee of the working class act for themselves, and conduct the business?—I have no doubt that it would be of very great use, and promote the consumption of tea.

4034. A large proportion of the population in your district are now out of employment by the falling off of the China trade?—I should say thousands; from the nature of the trade they are not well fitted for other employment, and they gradually emigrate to Birmingham, Cheltenham, and Bristol; it has been the occasion of great distress.

4035. Mr. *Spooner.*] Are there many houses unoccupied?—A great number. In one parish particularly, in Horseley, the number of houses that have been pulled down or left unoccupied is, I should say, one-third.

4036. How is it in the parish of Stroud itself?—The parish of Stroud is the centre of the manufacturing district, and it is better; the houses there are not unoccupied. The fine trade has congregated in the immediate vicinity of Stroud. Horseley, which is three or four miles distant, has almost become an agricultural district. It has left awful burdens upon the land for the poor not yet removed, and the poor rates are extremely heavy.

4037. Can you state how much in the pound?—I cannot say.

4038. How is it in Painswick?—There the population have been to a great extent removed; there the poor rates have been very high; but they are not so now, because the clearance has been more effectual.

4039. Are the houses empty or pulled down?—Both.

4040. When did this operation of depopulation first begin?—In Painswick, four or five years ago; in Horseley, about three years ago. The population of

*S. Marling*, Esq.

20 May 1847.

the district as a whole has not diminished, but it has diminished in the particular parishes that were dependent upon the China trade.

4041. *Chairman.*] Can you afford the Committee any means of comparing the trade with China previously to 1844 with the trade since?—I have here before me an account of the goods which we shipped, and the difference has been far greater with other manufacturers than with us, because we were less dependent upon the China trade. Other manufacturers more entirely dependent upon it would show a far greater difference. In 1837, we shipped 16,549 yards. In 1838, 23,158 yards. In 1839, 5,089. In 1840 and 1841, we shipped 52,612, being about 26,000 yards in each year. In 1843, we shipped 6,843; and, in 1844, we shipped about 10,000 yards. Since that we have done nothing.

4042. Mr. *Spooner.*] You must share but a very small portion of the whole trade?—Very small.

4043. Can you state at all what proportion?—I cannot; but it is a very small proportion indeed.

4044. *Chairman.*] What is the precise pieces of cloth that you manufacture for the Chinese market?—It is a thin cloth; it is a sort of fine flannel, about 60 inches wide, which is worth, in this country, 4 *s.* to 5 *s.*, according to the quality; and it is dyed in scarlet, green, black, blue, and purple.

4045. Mr. *Spooner.*] Made of foreign wool?—Chiefly Australian wool now; it was formerly made of Spanish wool, but the supply of Spanish wool has very much diminished, and it is now chiefly made of colonial wools.

4046. With no mixture of home growth?—No.

4047. *Chairman.*] Is not it a species of woollen manufacture of which labour is the main element?—Yes; especially weaving; one-third of the cost of the production is in weaving; and that is the class of men that have suffered more in our district than any other, on that account.

4048. Therefore for the sake of the industrious poor it is desirable as much as possible to open our trade with China?—Very much so. There is no class of men that would benefit by it so much as the hand-loom weavers. In our district it is not woven by power; being a light fabric, and the thread very small and tender, it cannot be so well done by machinery as by hand.

4049. Have you ever compared it with the productions either of the Chinese looms, or of those of Russia, or with any other nation that competes with us in China?—I do not think that the article is manufactured at all in China. The Russian cloth is a thicker cloth than this; I have never seen any specimen of Russian cloth equal to it. The Germans have attempted the trade, but I believe their goods are not at all liked in the Chinese market equal to the English.

4050. You think that, *cæteris paribus* preference would be given to the English over others?—Decidedly. In fact I see no limit to the trade, if we could get returns for it.

4051. Are you aware whether the Russians have imported woollens at a loss into China for the sake of the tea trade?—I do not know; I have heard the fact, but I doubt it.

4052. But you do not entertain a doubt that we can successfully compete with the Russians in the manufacture of articles that would be preferred by the Chinese?—I have not the slightest doubt of it.

4053. And that we can successfully compete with the Germans and Belgians?—I have no doubt of it. In fact, a gentleman told me lately in a mercantile house, that one of his correspondents had been inclined to make shipments of woollens to China, and to try German cloths and English, and he ordered a certain amount to be bought of each manufacture; the Belgian cloths left him a heavy loss; by the English cloths he got nearly home: the loss was far less than upon the Belgian cloths, which were a very inferior description of goods indeed. Though they cost less originally, they produced very much less.

4054. Do you think that a reduction of the duty on tea to 1 *s.* a pound would meet the exigencies of your working people by lowering the price sufficiently?—I do.

4055. The Chinese give greater facilities for the introduction of our exports into their country, than we do for theirs into ours?—Yes.

4056. The consequence of our heavy duty is of course a prevention of the sale

sale of their produce here?—Exactly so, inasmuch as the poorer classes of this country have only a certain amount to spend upon the article of tea; they only use a certain amount of it. I am sure that the domestic servants in my house use ten times as much tea as the operatives in the manufactories, and I believe that the chief bar is the exceedingly high price; for I believe they pay on the average 4 *s.* 6 *d.* a pound for the tea which they consume, and that tea which they use is not nearly equal to the tea that I sell at 1 *s.* a pound in bond.

4057. Can you state how far your West of England district, or West Yorkshire, is likely to have the preference for the supply of woollens to China, or whether there has been any change in the place of manufacture?—The relative amount of goods has for some years past been going on increasing in Yorkshire, as compared to the West of England.

4058. Do you consider that you would have an equally good prospect of supplying the China market?—Yes.

4059. The description of goods you have mentioned is the species of goods in which you would have the greatest chance of competing?—Yes.

4060. Mr. *Spooner.*] Do you know to what part of China the Russian goods are chiefly sent?—I do not.

4061. Have you ever received any information that there is a greater demand in the north of China for the thicker sort of goods manufactured in Russia, than for the goods manufactured in England?—No, I have not; I have understood that the Chinese were in the habit in cold weather of putting on additional garments, and not thicker ones as we do; and that in cold weather it is not uncommon to see a Chinaman with eight or ten coats on, and as the day grows warmer he takes some of them off. That is the information which I received from Mr. Fox, who was at Canton. That was before the northern ports were opened.

4062. *Chairman.*] Have you any reason to believe that, now that Shang-hai opens to us a communication with the northern ports of China, other species of cloth will be taken?—There have been a few parcels sent out of fine cloth, manufactured in England, but the parties sent home that the Chinaman would not go to the expense. It is not so much more durable, because the cloth used here is so much dressed, and so much wool is worn away in bringing it to that beautiful finish. The Chinese take it more in its simple form, as wove, and spun, and dyed.

4063. Mr. *Spooner.*] Do you know the comparative price of the cloth of which you have been speaking, and of the cloth sent from Russia?—I do not.

4064. *Chairman.*] Have you ever compared the qualities of the two?—No; I have seen two or three small specimens of it.

4065. Have you anything further to state to the Committee?—I wish to mention, that on account of the depression of the China trade in our district the millowners have suffered very severely. The rental of mill property now is not above one-third what it was 20 years ago, and house property has suffered in a like degree.

Mr. *Thomas Christie,* called in; and Examined.



4066. *Chairman.*] WHAT is your profession?—A Tea-dealer; I have three establishments in town: Whitechapel, Bishopsgate-street, and the Commercial-road.

4067. Does your trade bring you much in contact with the labouring classes, consumers of tea?—Yes, chiefly with the middling and lower classes.

4068. What kind of tea do they generally use?—Chiefly the middling and better description.

4069. Have you ever considered what would be the probable increase in the consumption of tea, if the duty were 1 *s.* a pound?—I have no doubt that the increase would be from 30 to 40 per cent.

4070. Does your experience enable you to form any calculation of the eventual result as to the amount of consumption?—I should think, if the duty were reduced to 1 *s.*, that in the course of three or four years we should more than double the present consumption; it is clear to me that it is only the high price of tea that prevents the industrious classes from using a great deal more; probably double the quantity.

 4071. What

Mr. *T. Christie.*

20 May 1847.

4071. What is the result of your experience of the effect on the consumption of tea of the state of prosperity or success of the working classes?—It is very striking. I had an example of that last Saturday evening only. I have three establishments, which I mentioned. I do not wait at the counter myself. I have a manager for each. When one of them brought the money last Saturday evening, I said to him, "You are very quiet; you are not doing so much business as usual." In reply to that he observed, that they had been quite as thronged as usual at the shop, but that he observed universally that the working classes, who used to take a quarter of a pound each, were only taking two ounces, or one ounce, now. That arises from the high prices of provisions generally.

4072. Then you consider that the effect of the present high price of food is to limit the consumption of tea?—Yes, decidedly, amongst the lower classes.

4073. It has been stated that they take refuge in tea, in consequence of distress; that they use it as a substitute for more nutritious food?—No; the reason of it I think is this, that bread is so excessively high at present. A man that has 12*s.* to 18*s.* a week, as a great portion of the lower classes have, after buying bread, which is the first necessary, has much less over than usual, and he must buy less tea. Instead of taking a quarter of a pound of tea, as they formerly did, we find that they only take half or less than half now.

4074. Do you think that if the duty on tea were reduced, there would be a greater demand for tea to sell in the coffee-houses, which have been so numerously established in London of late years?—Yes, I should think there would.

4075. Do they sell as much tea in those houses as they probably would do under a reduced duty?—No, I should say not.

4076. Coffee is the article principally sold there, is it not?—They sell more coffee; we supply a great many of those houses, and they consume a large quantity of tea as well.

4077. The duty has been reduced considerably upon coffee, but not upon tea?—Yes; although the duty has been reduced upon coffee, it has not had the effect of at all decreasing the sale of tea. The increase of coffee arises from other causes than the mere reduction of duty; there is a better selection of coffee than formerly for one thing, and most of the dealers now-a-days use chicory in mixing with coffee, and by that means they are able to purchase good coffee, and then to reduce the price by putting a little of that article into it. It makes a pleasant and agreeable beverage, at a moderate price. Formerly, when it was not used, there was a great quantity of inferior coffee used, and it was very nauseous to the taste, and of course prevented the consumption of it.

4078. The use of chicory enables them to supply a better article?—Yes, a more palatable article for a less price.

4079. Are you aware that they use chicory in France, where the coffee is generally superior to ours?—Yes.

4080. From your experience in your trade, have you any remarks to offer to the consideration of the Committee?—I should say that it is a great fallacy that the lower classes are fond of buying the lower priced teas; that is quite a mistake; it is quite a common thing when people come in, and we ask them whether they want 4*s.* or 5*s.* tea, they say, "We only get a little; we like it good:" so that I say the lower classes consume a full proportion of the finer teas.

4081. Do you think that if Bohea tea were admitted at a lower duty than Congou tea, the poorer classes would consume the Bohea tea?—No; I think that is a very great fallacy; I should suppose that was one of the great evils of the *ad valorem* duty.

4082. You mean the discriminating duty?—Yes, the discriminating duty is the Government holding out an inducement to fraud, deceit, and dissimulation; it is impossible to work it; it leads constantly to quibbling, annoyance, and delay in clearing the goods; and besides, it exposes the fair dealer to the annoyance, incompetency, and favouritism of inspectors. A good deal of tea would be decided to be Bohea, by bribes, which otherwise was good Congou; thereby exposing the fair dealer to the unfair competition of people who resort to those sort of tricks.

4083. As you are an extensive dealer in tea, do you consider that it would be

Mr. *T. Christie.*

20 May 1847.

be possible to have all the tea sold at public auction, and then an *ad valorem* duty levied on the several kinds of it?—No, I should say a fixed duty is the best. It is not enough that an article has cheapness to increase the consumption very largely; it must not only be cheap, but it must be useful and palatable. Now an *ad valorem* duty has the effect of holding out an inducement for people to buy cheap teas; and it is not more absurd to suppose that people will drink a large quantity of Bohea, if it was cheap, than to suppose that they would drink a great quantity of senna and salts; for they are equally nauseous; at least the lower description of Bohea.

4084. In a commercial point of view, do you suppose that the duty could be levied on the *ad valorem* principle by means of a compulsory sale by public auction, upon the sale price?—That is the only way in which it could be done; but it would be a great hardship upon a dealer in tea to be compelled to sell his goods in a particular mode.

4085. In what way would it be a hardship?—I should say that a dealer in tea, like any other dealer, should be at liberty to sell his goods in the best market he could meet with, in the most advantageous manner.

4086. At any time and in any manner he pleased?—Yes.

4087. Whether by public sale or by private contract?—Yes.

4088. Do you think that it would interfere with the trade, if there were a provision made that all teas should pass through a public auction, and that the duty should be levied upon the price paid?—I should say that it would be a great hardship upon the merchant; and besides, the result of that would be, like an *ad valorem* duty, there would be constant deceit; putting up teas and getting them at fictitious values, which has frequently been the case at public sales.

4089. Mr. *Spooner.*] Do you not believe that if such a restriction existed it would be evaded by a private understanding amongst the dealers?—It is very likely that it would. The great evil of all this sort of forced system is, holding out a bonus to fraud and dissimulation; false contracts and false prices.

4090. *Chairman.*] Are sales by private contract more frequent than they used to be?—Yes, it is almost entirely by private contract now.

4091. Formerly they used to be made by public auction?—Entirely by public auction in former times. After the abolition of the East India Company's sales there were regular periodical sales in the same manner, but now they are almost entirely abolished; they are in fact practically abolished altogether, for the sales that take place now are got up for deceit: a man buys a break of tea, in order to fix the price of it for country dealers; he puts it up, and there are two or three lots bid for and knocked down at a fictitious price, and then it is circulated through all the country that this tea was put up and sold at a certain price.

Mr. *Robert Fortune,* called in; and Examined.

Mr. *R. Fortune.*

4092. *Chairman.*] YOU are Curator of the Physic Gardens at Chelsea?—Yes.

4093. You have lately been in China?—Yes.

4094. You went there with a view of studying botany in China?—Yes; I was there as the agent of the Horticultural Society of London.

4095. What was the result of your investigations as regards the tea plants in China?—I found that the black and green teas of Canton were made from the Thea Bohea, and that the northern teas were made from the The Vairidis.

4096. Both kinds of tea are derived from the same plant?—Yes.

4097. Can you give the Committee any account of the provinces in which tea is cultivated?—It is cultivated very extensively in the provinces of Fokien, Che-Kiang, and Kiang-nan.

4098. In what provinces have you been?—I have been in the provinces of Quantung, Fokien, Che-Kiang, and Kiang-nan.

4099. Have you been in all the principal tea districts?—Not in all the principal tea districts.

4100. But in the maritime tea districts?—Yes.

4101. Where are the other tea districts?—There are some further west, in the provinces of Hoonan and Kiang-si.

4102. You have been in the Bohea tea district?—Yes, near Foo-chou-foo.

Mr. *R. Fortune.*

20 May 1847.

4103. Do you know the quality of the tea which is cultivated in the west of China, the tea which is sent to Russia?—I do not know much about it.

4104. Have you seen the Russian tea?—Yes.

4105. What is the difference between that and the tea sent to England?—The tea which is sent to Russia is very young tea.

4106. A kind of Pekoe?—Yes.

4107. Do you know from what part of China the Russian tea comes?—It is made in the same districts as the tea is made which comes to England.

4108. Is it prepared in a different manner?—It is young leaves that are very slightly dried.

4109. Not such a manufactured article as our own tea?—No, it would not keep so well as the tea generally sent to England.

4110. What is the nature of the soil in which the tea plant grows?—It is a rich loamy soil, mixed with gravel, and very well drained.

4111. What is the position best suited for the cultivation of the tea plant?—On the sides of hills.

4112. Have you any means of judging how far the cultivation of tea might be extended in China, if there were a greater demand for it in this country?—I should say that it might be extended nearly one-half.

4113. You travelled over parts of the maritime district of China, where very few travellers have been?—Yes.

4114. You were at Soochoo?—Yes.

4115. Where very few Europeans have been?—Very few if any, I believe.

4116. What is the size of the tea farms, on which they grow tea in China?—Very small; from half an acre to three or four acres.

4117. It is not done under a system of large cultivation?—No.

4118. What is the method of cultivation?—The tea is planted about four feet apart, and kept clean; and the soil is kept loose. It grows very luxuriantly, the climate is so fine.

4119. Have you seen the manufacture of both black and green teas?—Yes.

4120. What is the method of manufacture?—The green teas are manufactured in the same way as the black, up to a certain point; they are heated in the pans, and then they are taken out and rolled, and exposed a little while to the air, and then dried. The black teas are prepared in the same way, up to the rolling process, but they are left a longer time exposed to the air, probably two or three days before they are finally dried.

4121. Have you any means of judging of the relative consumption of tea by ourselves and by the Chinese?—I should say that the Chinese drink about four times the quantity that we do; they are always drinking it.

4122. Did you find, in sailing from Shang-hai, along the coast of China, that piracies were very frequent?—Yes.

4123. Does not there seem to be almost impunity to piracy in the seas in the neighbourhood of China?—Yes, the pirates are perfectly independent of the government.

4124. Are merchant junks armed on account of the pirates?—Not generally; the mandarins will not allow them.

4125. Why will not they allow them?—They are afraid that they should be too powerful for the government.

4126. Are they afraid of the people rising against the government?—Yes; there were a large number of junks that came down to Foo-choo-foo, the capital of the province of Fokien, but none of them were armed.

4127. Have you any means of judging whether robberies are frequent on land also, as well as piracies at sea?—There is no doubt of it.

4128. Can you give the Committee any idea of the number of piratical junks or the number of bands of robbers on land?—There are numerous islands on the coast of China; I should say that many of them are quite haunts of pirates.

4129. There are whole fleets of pirate vessels?—Yes.

4130. Well armed?—Well armed with the guns of the country; they would not be considered well armed on the coast of England.

4131. But they would not offer any molestation to any European or American vessel?—They do not generally do so; but a very serious affair happened on the coast of Fokien, of which we had an account by the last mail; in that case

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it was well known that our vessels were not prepared; I believe they never attacked an English vessel if she was prepared to receive them.

4132. But they are by no means courageous enemies, if a vessel is well armed?—No, I should not have been here if they had been at all courageous.

4133. Mr. *Spooner.*] How long did you reside in China?—I was there about two years and a half.

4134. What was your employment?—Collecting plants and seeds for the Horticultural Society.

4135. Not at all connected with the tea trade?—No.

4136. Mr. *Hawes.*] How far did you go into the interior at any time?—I think I have been from 150 to 200 miles into the interior.

4137. When in the interior did you travel north and south; in fact, did you travel about in the interior?—Yes, on the canals.

4138. Were you confined to the canals?—No, I used to go to the district where my business called me by canal, and then travel about.

4139. When you went into the interior, how far did you go by water?—I generally went the whole distance by water.

4140. When you came to the end of your journey by water, then how far from that point did you go into the interior?—The canals in the north of China are like roads in this country; the boats, in fact, are the carriages; you go to a certain place where your business lies, and you get out of the boat and transact your business, and go where you like; and if you want to go 50 miles further, you go in the boat.

4141. When you landed, how far did you go into the interior from the place of landing; how far, in fact, from the high road did you go into the country?—The way I did, was this: The boat was my carriage, and I had my bed in it, and everything, and slept there at night, but in the day I used to go to the hills principally, because there I found the plants that I wanted; I used to take the boat to the bottom of the hills, and then go away, perhaps a day, travelling about amongst the mountains.

4142. Then you were never absent from the great high road of communication more than a day?—No.

4143. You always slept on board?—Yes; but the whole country is intersected with those canals.

4144. When you state that there could be a great increase in the cultivation of tea in China, what is the foundation for that opinion?—There is not the slightest doubt that there is a great part of the land which is nearly uncultivated now, which, were there a demand for tea, could be brought into cultivation.

4145. That is to say, fresh land would be brought into cultivation?—Yes.

4146. Can you at all state the cost of bringing any given quantity of land into tea cultivation?—I should say that the cost would be very little indeed. They would cut down a quantity of brushwood, and probably dig over the ground and plant the bushes.

4147. That is to say, the land would have to be cleared and planted with the tea plant?—Yes.

4148. How long afterwards is the plant in arriving at maturity?—They might get tea in two or three years.

4149. Then am I right in supposing that about a year would be taken in clearing the land and planting the tea, and about two years more before it began to yield tea?—I should say that they could clear it and plant it in the same year, and in about two years they would get something from it.

4150. But to get fresh land into cultivation would take an outlay of labour and capital and two years' time?—Yes.

4151. Dr. *Bowring.*] How many years does the plant continue to produce leaves fit for tea?—A good deal depends upon the treatment of the plants; because gathering the leaves is very injurious to the tea plant. If they gather them regularly and take a great quantity off the bushes, of course it injures the trees.

4152. How long do the plants continue productive?—I should say many of them six or eight years; but a very great number of them three or four.

4153. Mr. *Hawes.*] At the end of that time must there be fresh tea plants put into the ground?—Yes.

Mr. *R. Fortune.*

20 May 1847.

4154. Am I correct in stating it as the result of your evidence that with a view to bringing fresh land into cultivation, at least a period of two years must elapse before the plants would begin to bear, and that the plants could only continue in bearing about four or five years?—Yes.

4155. And at the end of that time there must be fresh plants put in?—Yes.

4156. And then a period of two years would elapse before they began to bear?—Yes.

4157. *Chairman.*] Could the Chinese spare a considerable quantity of tea from their own supply?—I should say an immense quantity.

4158. Dr. *Bowring.*] Are the Committee to understand that every fourth or fifth year the whole quantity of tea plants are re-produced?—They are planting every year; therefore they can destroy a certain quantity of plants every year, planting a certain quantity instead.

4159. But in the ordinary course of re-production, is there, every fourth or fifth year, a new planting of trees?—I should not say that, because many Chinese do not cut down the trees every fourth or fifth year, many of them leave them growing for 10 or 12 years; but the trees do best when they are treated in that way. I have seen bushes which had been planted 12 years, but they were not in good order.

4160. Mr. *Hawes.*] What is the extent of an ordinary tea plantation?—It is cultivated on a very small scale; every little family, perhaps a man, his wife, and his children, have a few tea plants round their cottage; in that case you do not get, perhaps, half an acre of it; but the largest farms that ever I saw do not exceed, I should say, three or four acres.

4161. Generally speaking, they are small holdings?—Yes.

4612. Can you inform the Committee at all what rent is paid for those holdings?—No, I do not know. There is an immense quantity of tea prepared on the lands of the priests round about the temples; and those lands seem to belong to the temples, and to be held by the priests; so that in that case they do not pay anything.

4163. Dr. *Bowring.*] Cultivated by labourers, at daily or weekly wages?—Yes; they pay about 50 cash a day, which is about 2*d.* or 2½*d.*

4164. *Chairman.*] They pay the market price of labour?—Yes.

4165. Those persons are not the tenants, but they receive wages as day labourers?—Yes; but there are an immense number of persons connected with the priests. The priests themselves, for example, at the temples, used to work at the cultivation; there were about 100 priests in some of them, and about 80 of those were employed in cultivating the tea.

4166. Dr. *Bowring.*] Was the profit on the cultivation of the tea applied to the service of the temple, or to the personal benefit of the priests?—For the personal benefit of the priests and for the support of the temples.

4167. Mr. *Hawes.*] In those small holdings, is any part of the produce taken by the landlord?—I do not know.

4168. You never heard anything about the rent of the land?—No, I cannot give any information upon that subject.

4169. *Chairman.*] Do those lands belonging to the priesthood form a very large proportion of the land under tea cultivation?—Yes, because it is hilly; a great number of the temples in China are built in the hilly countries.

4170. Dr. *Bowring.*] Is the tea invariably planted upon declivities?—Invariably upon sides of hills.

4171. Mr. *Hawes.*] Not at all in the plains?—It will not grow well in the plains.

4172. Do you know at all the price of the tea plant, when the plantation is preparing?—I have bought them myself; you get a bundle of them, which will contain perhaps 400 or 500, for about 4 *d.*, for a mace, which is 4½ *d.*

4173. What size are they when they are first put into the ground?—They are seedlings; they are about a foot in height.

4174. They are raised from seed?—Yes.

4175. Are there men like our nurserymen, who raise those plants from seed?—They are generally raised on the lands of the people who grow teas; for example, the priests have a nursery for raising tea plants and renewing the lands.

4176. What

4176. What is the size of the plant?—When at its full growth it is about the size of a laurel bush, about four feet high.

4177. When first planted out what is the size?—About one foot in height.

4178. Dr. *Bowring.*] At what distance from one another are the trees planted?—Four feet apart.

4179. Mr. *Hawes.*] Is there much manure used in the cultivation?—No, scarcely any; it is not necessary, the land is very rich.

4180. *Chairman.*] Is there much irrigation?—No, that is not necessary either.

4181. Mr. *Hawes.*] Is there much labour upon a tea plantation, in the shape of weeding and hoeing?—No, very little.

4182. Dr. *Bowring.*] Any pruning?—No, it is well enough pruned when the leaves are taken.

4183. *Chairman.*] Do not all the family turn out, from the grandfather to the grandchildren, to gather the leaves?—Yes.

4184. Mr. *Hawes.*] Who collects the tea from the small holders for the purpose of sale?—The merchants from the towns come out at the time when the tea is ready, after it is prepared. It is prepared by the priests in the temples, and by the landowners themselves. Then those merchants come out with a certain quantity of money, generally loaded with coin of the country, and they take up their abode at little inns or eating-houses amongst the hills, and as soon as the natives hear that those men are in the district, they bring their tea to them and a bargain is struck.

4185. Dr. *Bowring.*] When you say "prepared," do you mean in a state fit for exportation?—No.

4186. In what state is it sold?—It is perfectly dry; the only process it is submitted to afterwards is the picking and dividing.

4187. Is it dried by artificial heat, or by the sun?—By artificial heat.

4188. *Chairman.*] What part of the process is performed by the grower of the tea after it is picked?—He takes it home to the pans to dry, and dries it in furnaces, and packs it into baskets or chests, and takes it to those little inns which I have described where the merchant is, and sells it to the merchant, gets his cash, and goes home to his farm.

4189. Dr. *Bowring.*] Do you know anything about the price the grower obtains?—No. I bought tea and I know it is very cheap; but I could not answer that question. When he disposes of his tea, he gets his money, slings his cash over his shoulders, and goes home to his farm. The merchant who resides at this inn collects from the whole district round an immense quantity, and after he has got together the whole he can get at the time, he employs people who carry it to the nearest canal, and puts it into boats, and then it is taken away to the towns.

4190. Does it there undergo the process of manufacture?—No, it is not manufactured then; it is then picked and divided.

4191. *Chairman.*] Is the colouring given by the grower of the tea?—Yes. I never saw them colouring it; I saw green tea manufactured in the usual way, then it was not coloured.

4192. How is it manufactured?—The leaves are gathered from the trees and put into round circular pans with a fire below them. A man takes his station at the fire and feeds the fire, and another person stands at the pan. After stirring up the leaves for about five minutes in this pan, they get soft and wet, and are taken out and put upon bamboo tables in this moist state, and rolled. Then in the case of green tea, they are exposed a very little while and put into those pans again and dried at once, and in about an hour the process is complete. In the case of black, they are left in this moist rolled state two or three days, and then dried.

4193. What is the difference between the manufacture of the two?—In the case of the green it is dried at once. In the case of the black, it is left in the moist state two or three days.

4194. Then there is more moisture left in the black than in the green?—No, it is left longer in a moist condition. It seems to undergo a sort of chemical change.

4195. Mr. *Spooner.*] Something of fermentation?—I do not think it is a fermentation, but it is something similar to it.

4196. Mr. *Hawes.*] There is no colouring matter used?—Not in the black.

Mr. *R. Fortune.*

20 May 1847.

4197. Mr. *Spooner.*] Of what are the pans made?—They are iron.

4198. What makes the leaves get soft and wet?—The heat.

4199. If they were left in the pans long enough, they would dry in the pans?—Yes, but they would not be rolled.

4200. They take them out in a moist state for the purpose of rolling?—Yes, and expressing the juice.

4201. And then the green is put in again and dried thoroughly, and the black remains for two or three days, and during that time you think a chemical change takes place?—A change which makes the leaves turn black.

4202. *Chairman.*] The green is rolled afterwards as well as the black?—Yes.

4203. On bamboo tables also?—Yes.

4204. What different process of manufacture takes place with respect to green tea?—The green teas sent to England are dyed.

4205. Can you give us any information as to that process?—No, I do not know anything about the dyeing.

4206. Do you know what they dye them with?—I know what they dye them with in Canton; they dye them with Prussian blue.

4207. Dr. *Bowring.*] How is Prussian blue applied?—Sir John Davis says he saw them using it; it is put into the pans in a fine state. When the leaves are heating, they are turned first yellow with turmeric, and then Prussian blue is applied to turn the yellow into green.

4208. Do they use any indigoferus plants for the purpose of dyeing green?—I found a plant in the north of China, of which I saw some thousands of acres, the Isatis indigotica, and it is very likely that is the plant which they dye the teas in the north with.

4209. Mr. *Hawes.*] That colouring matter which they use for dyeing is vegetable?—Yes, provided it is this plant which I saw.

4210. What is the fuel they use?—Generally wood.

4211. Dr. *Bowring.*] Is it charred wood?—No; they take what they can get from the mountains.

4212. Is fuel costly?—No, they generally get it for nothing.

4213. *Chairman.*] How long are they in going through this process?—About an hour from the commencement till the green teas are dried.

4214. Dr. *Bowring.*] From the time when the teas are picked, how long would it take to fit them for commerce?—Green tea would be fit in three or four days.

4215. Sir *G. Staunton.*] How far did you penetrate from Foo-choo-foo in search of the tea plantations?—I think about 30 or 40 miles from the town.

4216. Do you think you reached the plantations from which the Canton market is usually supplied?—I should doubt that; I was told that a quantity of teas were formerly sent from those districts to Canton, but now they seem to have got out of favour, and they do not send much now.

4217. Are you satisfied that you were actually upon the plantations from which teas have been sent to Canton?—From which they were formerly sent.

4218. You did not ascertain as a matter of fact that those plantations now supply Canton?—No.

4219. But you were in what is called the Bohea district?—Yes.

4220. How would you describe botanically the tea you found growing there?—That is the Thea Viridis.

4221. Did you find any other species of tea cultivated for consumption?—Not in that district.

4222. But in the north?—No; near Canton I found the Thea Bohea.

4223. Therefore you consider there are two species of tea?—Yes. I have no doubt that the Canton teas are made from the Thea Bohea, and the northern teas made from the Thea Viridis.

4224. Do you consider that the Bohea teas and the Hyson teas are made from the Thea Viridis?—Yes.

4225. The Thea Bohea is not a tea sent for the British market?—I believe we do not like the Canton tea.

4226. Do you know what is called the Whoping tea?—I do not.

4227. The Canton tea is not usually sent to Europe, is it?—I think it is sometimes.

4228. Under what name?—Either black or green.

4229. But

4229. But it is very inferior tea?—Yes.

4230. *Chairman.*] From the Thea Viridis you could make both black tea and green tea; can you make both black and green tea from the Thea Bohea?—Yes.

4231. Sir *G. Staunton.*] Is it not the fact that the green teas that are sent to Europe are not imported from the Bohea country, but from another part of China?—The best green teas are from the north.

4232. None of the genuine green teas are brought from the Bohea country?—I should say not.

4233. Do you consider that the plant in the northern part of China is identically the same plant as that in the Bohea country?—The very same. I dug up a plant, and took it to the district in the north, and I found no difference.

4234. But you consider the essential difference between the manufacture of black and green teas to be that the black teas are dried more slowly, so as to admit of a chemical change?—Yes; and that many of the green teas are dyed.

4235. Therefore you consider that the sole difference, in fact, between the black and the green teas is in the manufacture?—In the manufacture.

4236. Dr. *Bowring.*] Do you imagine that any of the teas from the districts which supply the caravan trade of Russia come into the British market?—I believe very few of them. The same teas which they call Pekoe used to come to Shang-hai; they used to send it in small chests as presents to the merchants, which is identically the same as the Russian tea.

4237. Does the tea usually exported to Russia bear in China a price much higher than the best tea which is exported to England bears in China?—I believe it does. Considering that it is young tea, it is necessarily dearer. It is the most expensive, because it injures the plant to pick it.

4238. You think that the Russian merchant pays a much higher price than the British merchant, on account of the superior quality of the tea?—I should think so. It is more difficult to get this tea; it is a longer time in gathering, and it injures the bushes more, and therefore one would naturally think the value of it would be higher.

4239. Sir *G. Staunton.*] The Russian supply is from the same part of China as the British supply?—I believe so.

4240. But they pay a higher price for the Pekoe, and therefore they have better tea?—Yes.

4241. There is no other reason why the Russian tea should be better than ours?—It is the finest tea in China.

4242. The Pekoe is not a particular plant, but it is a very early gathering?—Yes, just the young leaves, as they begin to burst in the spring.

4243. Dr. *Bowring.*] Is the flowery Pekoe the flower of the tea mingled with the leaf?—No; the tea plant flowers in the autumn, and produces little round seeds. During the winter those seeds are scarcely the size of peas, and when the young Pekoe is gathered in the spring, those little seeds are often plucked with it, and if you examine young Pekoe, you will find them among the leaves.

4244. You spoke of the manufacture of tea as giving colour to the tea; is the flavour, or the aroma, or perfume, given by manufacture?—It is given by mixing flowers of different kinds with the tea.

4245. Sir *G. Staunton.*] Are you aware whether they use other flowers in giving flavour to tea?—Yes, there is the chulan, for instance, and the fragrant olive, and other flowers.

4246. Is it only with green tea that they mix flowers, or with both black and green?—I believe they mix flowers with both.

4247. *Chairman.*] Do we get any pure green tea in this country, or is it all subjected to that process of dyeing with Prussian blue?—All those green teas that have that deep clear colour, that blooming colour upon them, are dyed.

4248. All our green teas in this country generally undergo the process of dyeing?—Yes, they must.

4249. Therefore the green teas generally are an impure and artificially adulterated tea?—Yes.

4250. Sir *G. Staunton.*] Did you consider the green teas, which you saw prepared at Canton, genuine green teas or imitation green teas?—They were very bad green teas.

Mr. R. Fortune. 10 May 1847.

4251. Not what is usually imported under the form of Hyson?—No.

4252. Did you find the natives, in your intercourse with them, well disposed towards receiving British commerce?—The natives in the north were particularly kind and civil, so far as I had anything to do with them. In the south, in Canton, they were just the very reverse.

4253. Did you observe any particular reason for that difference?—I think that we have spoiled them ourselves. In the north they have only known us a few years, and in a very different light from that in which they have been accustomed to regard us at Canton.

4254. Dr. *Bowring.*] Do they consider us as benefactors?—I should rather say as conquerors.

4255. Sir *G. Staunton.*] Is there any article of British commerce or manufacture which you think might be advantageously introduced that has not been introduced?—I am not aware of any.

4256. Dr. *Bowring.*] Was your attention called to any other produce of China which is not introduced into this country?—Raw silk; but that is introduced at present.

4257. Is there any other article used among the Chinese which might be introduced into England?—Not to any great extent; there is sugar, camphor, musk, rhubarb, and other things that come to England now; but I do not know of anything new.

4258. Did you visit any shops where tea was sold?—Yes.

4259. Did you find in those shops any teas suited to the British market?—Yes; the black teas were very often the same kind of black teas that we get in England. The green teas were genuine; they were not dyed.

4260. Was the general character of the teas exactly suited to our taste?—I think so. The black teas were very good; the green would have suited us better had they been dyed.

4261. *Chairman.*] Can you state whether there are extensive means of increasing the silk trade in China. Were you in the silk districts?—Yes; I was in one of the finest silk districts in China, near Hang-Chow.

4262. Are their capabilities of supply very great?—Yes.

4263. Mr. *Hawes.*] What is the condition of the Chinese peasantry as to clothing, and of their cottages as to furniture?—They generally wear cotton clothing.

4264. Are they pretty well clad?—Yes. In the summer time the weather is so hot that they require very little. In the winter they are generally much better clad than our peasantry are in this country. In the northern districts they are obliged to use skins, on account of the severe cold.

4265. Are their cottages furnished well?—No, they are very uncomfortable; they are mere sheds; mere barns.

4266. Would you describe them to be badly off and in a state of poverty, or otherwise?—They are not badly off; they have plenty to eat and drink, and they are very happy. They have not fine houses; they have only sheds to live in, but they are happy and contented. I should say generally, that there is no race of people more happy and comfortable than the Chinese.

4267. Have the cottages glass windows?—No, they do not use glass; they have paper windows.

4268. Dr. *Bowring.*] Have you compared their condition with that of any other oriental population?—I have been in Java, and also in the Philippine Islands, and I think the Chinese are better off than either the Malays or the inhabitants of the Philippine Islands.

4269. *Chairman.*] How far would the poorer class of Chinese be likely to take our manufactures, both of cotton and woollen?—It is difficult to say; that would depend upon the price.

4270. Would the poorer classes use our manufactured articles?—There is no doubt that they use them to a great extent now.

4271. Even the poorest?—Yes.

4272. Therefore it is probable, that if further facilities were given for trade, they would extend throughout the nation?—Yes.

4273. You have spoken of piracies by sea. What is your experience of robberies by land in China?—In the interior, in the north, I found the natives of the country generally very civil, because the government was powerful, but in the south, where the government is not so powerful, you are not so safe.

Mr. *R. Fortune.*

20 May 1847.

4274. To what extent do robberies prevail; is it done in detachments of robbers, or is it merely single individuals who rob?—Generally detachments.

4275. Large numbers?—Yes, large numbers. Sometimes a whole village will turn out and go to a distance and rob another.

4276. Sir *G. Staunton.*] In what part of China?—In the south; in the province of Fokein, on the sea coast.

4277. But you did not find that the case in the northern parts?—No.

4278. Did you visit Chusan?—Yes.

4279. Can you form any opinion what was the feeling of the population upon our restoring that island; were the people glad of it, or did they wish us to remain there?—I should think the shopkeepers would have been glad had we remained there, but the officers of government and the people, I think, were very glad to get us away.

4280. Can you state what was the feeling of the general population in the interior?—I think they wished to have their own rulers back again; I think it was only the shopkeepers and the people actually benefited by the trade, who were desirous of our continuing.

Mr. *Crawfurd Kerr*, called in; and further Examined.

Mr. *C. Kerr.*

4281. *Chairman.*] DO you wish to make a further statement to the Committee?—I wish to make a statement with reference to our present position at Canton, which is quite as bad, if not worse, than previous to the war.

4282. What are the complaints you have to make as to the position of the British at Canton?—I consider the present position of British subjects at Canton highly unsatisfactory, both as regards their personal safety and liberty, as also the manner in which the trade is conducted; and I attribute this state of affairs to the non-enforcement of the terms of the treaty. I consider that under the present system of trading we labour under all the disadvantages of exclusive dealing, and want of control of our property, so much complained of formerly in the time of the Cohong, without any of its security or other advantages. In fact we are compelled to place the same confidence in the native merchants, who are persons of altogether inferior means and credit, and are chiefly old servants or petty shopkeepers. This necessity arises chiefly from the tact with which hitherto the Chinese have maintained the old course and customs of trading with foreigners, and from the indifference shown by our authorities to enforce the terms of the treaty, under the mistaken notion that the trade of Canton might be removed to Hong Kong. Hence the personal inconvenience suffered by foreigners from the want of space, and the constant apprehension of violence from the people, and the disadvantages of a trade conducted under risks unknown in any other quarter of the globe. By Article 7 of the supplementary treaty, we are entitled to ground and houses sufficient for all our purposes, at rents and prices not above those paid by the Chinese; and so far from these rights being enforced, we, together with the whole foreign community, are compelled to live on the same space as was formerly occupied by the servants of the Honourable East India Company and a very limited number of private merchants. This ground is about 300 paces, facing the river, and 300 paces deep, one-half of which is crowded with the dwelling-houses of Europeans, Americans, and Asiatics, while the other half is laid out in gardens, in which alone the foreign residents can take exercise with security from assault. There are at the present moment upwards of 350 foreign residents at Canton, and it must be borne in mind that they are compelled to reside at Canton throughout the year, whereas the Company's servants only visited the factories during the cool season. Closely built as are these houses, there can be no room whatever for stores of any description, and consequently all property, especially imports, are by necessity stored far and wide amongst the hongs or Chinese warehouses, subject to heavy charges for rent, to great risks of fire (against which it is impossible to guard by insurance), pillage, and to dishonest appropriation by those in charge of them, as has been shown in the recent failure of Aming. But the most objectionable point in this system of placing goods in the native hongs is, that by old custom (a favourite term), one Chinese merchant will not offer to purchase goods once stored with his neighbour, and therefore generally they must be sold to the party in whose possession they are. In cases of active demand this objection may be got over, and I have

Mr. *C. Kerr.*

20 May 1847.

myself sold goods to one merchant taken from the hong of another. It is, however, always attended with difficulty, and therefore generally speaking, goes far to deprive goods of the advantage of open competition in the market. The Chinese with whom we deal at the present time, endeavour as much as possible to keep the teamen and others, who are in fact the *bonâ fide* merchants, apart from the foreigners, and consequently are enabled to induce the importer to accept as low a price as possible for his goods, while at the same time it is his interest to obtain as high a one as possible for produce sold, the effect of which state of things cannot but prove most injurious to the foreign merchant. If we enjoyed all the rights secured by treaty, and especially by Article 7 of the supplementary one, our property would remain under our own control, and we should be able to offer our goods for sale on equal terms to all. Many of the risks complained of would entirely disappear, and the trade would be conducted in every way more satisfactorily.

4283. Can you buy land at Canton at the same price as the Chinese?—No.

4284. Then one of the articles of the treaty, Article 7, is violated?—Certainly; we pay a higher rent at present.

4285. Has any remonstrance been made with the Chinese Government on the violation of the treaty?—None that I am aware of.

4286. Dr. *Bowring.*] Have you made any complaint to the British authorities at Canton of the violation of the treaty in this particular?—I think not.

4287. Mr. *Spooner.*] Can you give us any information about the payments made in opium, to what extent opium forms part of the payments to China?—To the northward, at Shang-hai, very considerable transactions take place, where opium is paid the same as you would pay money; you buy silk, and payment is made in so many chests of opium. At Canton there is very little of that description of business. At Canton I have seldom seen opium given in payment for goods.

4288. Will you give the Committee any information you can with regard to the effect of the opium trade upon our commerce with China?—At Canton the opium trade is the only source from which they draw money; it is the only import into China for which they can readily get coin.

4289. *Chairman.*] Do you think that the Government could put down the opium trade in China?—I should say certainly not.

4290. Mr. *Spooner.*] You look upon it that the opium trade is necessary to keep up the commerce of the country?—Yes.

4291. Sir *G. Staunton.*] Does the Government make any attempt to put down the opium trade at present?—Not since the war; I do not think they interfere at all.

4292. But it is not legalized?—No; but in Shang-hai I have seen the chests of opium in the original package in broad daylight carried through the streets.

4293. But no ships carrying opium can enter the port?—No.

## Mr. *George Wilson,* called in; and Examined.

Mr. *G. Wilson.*

4294. *Chairman.*] YOU are very familiar with the Tea Trade, as far as respects the working classes?—Yes.

4295. What is the result of your observation in that respect?—During the 28 years that I have conducted a large trade amongst the poor in Westminster, I have found that the consumption of tea has varied with the price; in proportion as the price has decreased the consumption has increased, and it appears to me that the working classes consume a much larger quantity of tea in proportion to their means than the higher classes. The consumption of a poor man's family appears to me very nearly equal to the consumption of a rich man's. It is looked upon by the poor people as a necessary of life, and they will expend their slender means in procuring tea, though they may be deprived of obtaining more substantial food.

4296. You would therefore draw the inference, that a reduction of price would be of great consequence to the poorer classes?—Certainly.

4297. So far as your experience goes, do you entertain any doubt that a great proportion of the consumption of this country is by the labouring classes?—I think the labouring classes consume nearly as much tea, each man's

man's family, as the rich. A policeman, whose income is 20 *s.* a week, his wife will buy a quarter of a pound of tea per week, which will cost one-twentieth part of their income.

4298. Do they consume more tea in times of distress or in times of prosperity?—They are restricted by their means.

4299. Do you agree with those witnesses who say that the poor have recourse to tea in the absence of more nutritive articles of aliment?—Yes, but the working classes are not of that character. The lower classes, the very poor, I think, take tea as an amelioration of their sufferings; it exhilarates them, and they find a comfort in taking tea.

4300. Viscount *Jocelyn.*] Do they prefer it to coffee?—Yes, very greatly.

4301. Mr. *Spooner.*] During your long experience you have seen times of great distress among the poorer classes; has the consumption of tea increased or decreased at those times?—Not among the labouring classes, but I think it has among the very poor; they expend a larger proportion of their means in tea than in solid food.

4302. Is there any large proportion of the working classes who are prevented from using tea, which they would use if tea was sold at a lower price?—I think the poorest people get a portion of tea. If you were to give the poorest persons sixpence they would expend a portion of that sixpence in obtaining tea.

4303. If you lowered the price you would extend the area of consumption?—I think you would very greatly.

4304. Dr. *Bowring.*] Would a reduction of 1 *s.* 6 *d.* a pound in the price of tea tend to a great augmentation of the demand?—I think it would. It would give to the working classes a much greater reduction than the mere amount of the duty, because the tradesman's profit is increased in proportion to his capital employed. At the time that tea was sold by the East India Company at 2 *s.* 10 *d.* to 3 *s.* 4 *d.* per pound, and the *ad valorem* duty was 100 per cent., we used to sell our tea at 7 *s.* and 8 *s.* a pound, and get more than double the profit that we do now, because persons with a large capital had a great advantage when the price was high, and there was less competition.

4305. *Chairman.*] But it is better for the trade generally, for the small capitalist as well as the large one, that the limits of consumption should be extended as much as possible?—I think that to reduce the duty on tea would not benefit the trader with capital. I think the trade has advantages in high prices. I will give an example: the present price of sound Congou tea is about 10 *d.* to 11 *d.* a pound in the market. The duty is 2 *s.* 2 ¼ *d.*, that makes it 3 *s.* 1 ¼ *d.*, and the great mass of the people have that tea at 4 *s.* a pound. If that tea were to continue at 11 *d.* a pound, and the duty at 1 *s.*, you would have that tea sold at 2 *s.* 4 *d.* a pound. So that the difference in the duty would be 1 *s.* 2 *d.*, and the difference in the price to the consumer would be 1 *s.* 8 *d.*

4306. Dr. *Bowring.*] At what price do you estimate that the consumption of tea would be doubled?—I cannot form an estimate of that; I only look at the increased consumption of other articles and the growth of trade; in the article of cocoa, for instance: soluble cocoa, of good quality, was sold a little time back generally at 6 *d.* a pound; that led to a very large consumption and the supply was not sufficient to meet the demand, in consequence of which the price of cocoa rose; the retail price rose from 6 *d.* to 8 *d.* That difference of 2 *d.* a pound in the price of cocoa has decreased the consumption, so that now it is not one fourth the quantity it was in the poorer districts of the metropolis.

4307. Have you observed that there has been an augmented demand for coffee going on with an increased demand for tea?—There has been an increased demand for coffee.

4308. Among the working classes?—Yes.

4309. *Chairman.*] You stated that while in the case you supposed the difference in the duty would be 1 *s.* 2 *d.*, the difference in the price to the consumers would be 1 *s.* 8 *d.*; will you explain why the difference of price would not precisely correspond, but would be greater than the difference of the duty?—Because the capital employed would be less, and the competition be greater. The proportion of 5 *d.* per pound profit on 2 *s.* 4 *d.* would be nearly as great as 10 *d.* upon 4 *s.* A man who keeps a small shop has not capital now to go and buy a chest of tea; he goes to a great house; that man buys his 7 lbs. of tea, or his 14 lbs. of tea, and then he retails it out to the poor, and there is an inter-

Mr. *G. Wilson.*
20 May 1847.

mediate profit upon the transaction. If credit be given, he pays a larger profit still. If the price were less, he would be able to buy a chest, and save the intermediate profit, and have the advantages of overweight.

4310. One intermediate transaction would be saved, and therefore so much time and money would be economised?—Yes. I am a guardian of the poor; we considered the case of the aged poor in the workhouse who applied for tea; and those that have seen better days said that they felt the loss of their tea more keenly than anything else; and it was determined to give to all above the age of 60, who behaved themselves well, a quantity of tea. We now give them two ounces of tea per week each, and have done for a number of years, and we find that if we were to withhold that it would be considered by them the severest deprivation. If you take the consumption of tea by a poor woman in the workhouse, a single individual, at two ounces per week, you will find that the quantity consumed in the country is very much less than that upon the average.

4311. You thence draw the inference that the poorer classes in this country would consume more tea if they had the power?—Certainly.

4312. Dr. *Bowring.*] You would consider tea the luxury of the very poorest classes?—I would call it the necessary of the more virtuous of the poorer classes.

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*Martis, 1° die Junii,* 1847.

MEMBERS PRESENT.

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| Dr. Bowring. | Mr. Moffatt. |
| Mr. Cardwell. | Viscount Sandon. |
| Mr. Ewart. | Mr. Spooner. |
| Mr. Harcourt. | Sir George Staunton. |
| Mr. Parker. | |

VISCOUNT SANDON, IN THE CHAIR.

Mr. *Hugo Reid,* called in; and Examined.

Mr. *H. Reid.*
1 June 1847.

4313. Mr. *Ewart.*] YOU are Secretary to the Association for the Reduction of the Duty on Tea?—Yes.

4314. Have you some papers to lay before the Committee?—I have a series of extracts from the last "Returns of the Trade with the various Ports of China," for the year 1846. I will beg leave also to deliver in an extract from a paper called "The Friend of China," which I have been requested to give in by a gentleman who has been examined here, Mr. Rawson; it relates to the administration of the Hong Kong post-office.

[*The same were delivered in, and are as follow:*]

EXTRACTS from Papers presented to the House of Commons, by command of Her Majesty, 1847, called "Returns of the Trade of the various Ports of China," for the Year 1846; illustrating the present depressed state of the Trade, and the unsatisfactory prospects for the future, "unless means can be found to take from the Chinese a larger amount of their principal export, Tea."

Sir *John Davis* to Viscount *Palmerston.* Victoria, Hong Kong, 24 February 1847.

Shanghae must be expected to attract to itself in due time the larger portion of the British trade. It seems to me impossible that teas should long continue to bear the heavy charge of transport to Canton from the north, when they can be delivered to us so near to the place of production.—Page 3.

I beg to quote the following remark of Mr. Consul Macgregor, with reference to the high duties upon tea in England, as deserving the attention of Her Majesty's Government. "It must be borne in mind that the import trade is regulated by, and depends wholly on, the export trade, and that therefore only an increase of exports can cause a corresponding increase in imports. The China trade being essentially a direct barter trade, it is obvious that unless means can be found to take from the Chinese a larger amount of their principal export,

export, tea, there seems to be but a limited prospect of deriving for the British manufacturing interests all those advantages which the new position we hold in this country consequently upon the late war might lead them to expect."—Page 4.

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REPORT on the Prospects of a British Trade at *Foochowfoo*, by Mr. *R. B. Jackson*, 18 January 1847.

Direct payment in coin to any great amount is out of the question. The only article which can command it is opium, of which the consumption is considerable. About 1,400 or 1,500 chests are annually disposed of, and specie is drained from all quarters to pay for it.—Page 20.

The barter of black tea would appear to offer the only solid basis whereon to establish a permanent British trade at this port. It has been shown, by inquiries made among the tea growers in the Bohea districts, particulars of which are contained in Mr. Alcock's despatch to your Excellency, No. 35 of 1845, that this article (the most important staple of the province, and the only one which we could take in exchange, the others consisting principally of spars, bamboo, bamboo roots, and dried fruits) can be put down in Fowchow at 20 and even 25 per cent. less than at Canton.—Page 21.

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Consul *Macgregor* to Sir *John Davis*. British Consulate, Canton, 15 February 1847.

Teas and other Chinese products generally, although lower in price, were exported on a more limited scale than in 1845, by reason of the accumulated stock in the British markets; and, as far as regards tea in particular, I must add that the deficiency would, perhaps, have been still greater if the Chinese tea merchants had not been induced to export on their own account that portion for which they had found no purchasers at the end of the season. On the whole, last year seems not to have been a prosperous one for the merchants engaged in the China trade, since, unfortunately, both the goods that came out, and the return cargoes home, arrived at a losing market.—Page 34.

Assuming that the American and the trade of other foreign nations leaves an excess of exports over imports of about a million sterling, the approximate balance of trade against China would be nearly two millions, constituting the sum annually drawn from this country in specie to pay for opium. How long the Chinese will be able to sustain this continual drain of the precious metals is impossible to determine, but the fact being now well established that the export of tea to England cannot be increased under the present system of duties, it is not difficult to foresee that unless a new opening be found for a larger consumption of China exports in our markets, a gradual reduction must take place either in the quantity or in the prices of our imports in China until they come to a proper level. On the other hand, it is beyond calculation to what extent the Chinese would purchase our woollens and cottons were we enabled to take their produce in return, especially after having obtained the legalization of the opium trade.—Page 36.

The results of all investments in tea bought during the last two years appears to have been far from favourable to the exporter, and I understand that, in particular, the teas of last season have left, almost without exception, very heavy losses, amounting, in some instances, to nearly one-half the cost.—Page 40.

The whole tea trade seems to be in a very unsatisfactory state. There is an excess of supply at Canton, which always eventually finds its way into the English markets, either on English or Chinese account; in the latter case, under cash advance of its full value, and this having gone on for the last two years the stocks in England have unduly increased, and the prices of tea have fallen there even below the cost of its production. The present duty of 2 *s.* 2 ½ *d.* per pound must bear very heavily on the common congous (which form about one-half of the whole supply), being just double their cost in England, thus preventing them to go largely into consumption among the lower classes.—Page 41.

The system now followed by the Chinese, of shipping teas largely on their own account. —Page 42.

As already mentioned above, the premium paid for Sycee silver, large ingots, was uncommonly high, and ranged between seven and nine per cent. during the whole of the year, indicating a scarcity, no doubt, in a great measure, the effect of the constant exportation of bullion for the payment of opium.—Page 42.

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From the "*Friend of China*," 27 March 1847. (Hong Kong Post-office.)

We learn with some surprise that the postmaster is about to prosecute the owner of the steamer Corsair for carrying letters to and from Canton without passing them through his office. Were the postmaster in a position to conduct this highly important branch of the public service, we would be loath to object to his vigilance in protecting the revenue of his department; but it is notorious to everybody, and to himself, that until a local post-office is established, having a daily communication with Canton, and an agent in that city for the receipt and despatch of letters, he cannot with a due regard for the public interest enforce the Act of Parliament which imposes heavy penalties upon individuals carrying letters to the manifest injury of the department.

Mr. *H. Reid.*

1 June 1847.

Without assuming any knowledge of law, we would question whether the Act can be brought to bear upon the correspondence between this colony and Canton. The post-office in Hong Kong is simply a branch of the London establishment; and as such, all mails from foreign ports are bound to be delivered to the postmaster, and mails sent seaward have to be made up at the office, with the exception of the Consignees' bag. In British colonies, where there is a local or inland post, it is established by an ordinance of the Legislature. The expense of carrying the mails is borne by the colony, and the profit, if any, goes to the credit of the colonial revenue. When no such local post-office exists, parties are permitted to transmit their letters by such conveyances as are obtainable: stage-coaches, boats, or by the hands of travellers. Taking this view of the question, it appears doubtful whether any action raised by Mr. Hyland, in so far as it refers to the transmission of letters to or from Canton, or to or from the different towns on this island, will be sustained by the court. If it is illegal to forward letters to Canton by private conveyance, it is equally illegal to forward them to Stanley or Aberdeen; but this is done daily without any objection being offered.

It is impossible that the Hong Kong postmaster can carry out the measure he proposes, even supposing that the Court rules that he can lawfully attempt it, without sacrificing the interests of the foreign merchants in China. The overland mail arrived this month on the 23d, and the outward will close on the 29th. The great bulk of the mail was for merchants resident at Canton. Assuming, then, in addition to the postage from Europe, India, or elsewhere, that the postmaster imposed a second postage for the transit to Canton (but this he cannot do, most of the letters being pre-paid to Canton when mailed), he could not possibly have rated the second postage and despatched them before the evening of the 24th. He has no express boats running; the mail would therefore have to be sent by the ordinary native boats, one of which leaves every evening. Allowing the boat a passage of two days, and the letters would reach the British consulate late on the 26th; and assuming that the consul would be silly enough to take upon himself the office of Mr. Hyland's deputy, he or his assistants would be engaged on the 27th collecting postages and delivering letters. But as the outward mail closes at Hong Kong on the 29th, at five o'clock in the afternoon, the people of Canton would require to send their letters to the consulate by two o'clock of the 27th, being unable to answer their correspondents for another month, and thus the advantages of a steam communication would be in a great degree rendered nugatory.

Those unacquainted with local matters may ask, if the postmaster would have such difficulties in forwarding the Canton letters how do the merchants manage it? We reply, the merchants have established a line of boats, one of which leaves Canton and another Hong Kong every afternoon. This line is supported by private subscriptions, and does not cost less than 200*l.* a month. For the conveyance of the monthly overland mails, they have secured the services of the steamer Corsair, for which they pay the owner 150*l.* a month; the vessel waiting the arrival of the mail, and sailing so soon as the agents for the various firms can get the letters from the post-office. In addition to this, express boats are despatched at a great expense; each boat having a crew of from 12 to 20 men.

We apprehend that the great object of postal establishments, is to facilitate communications, and thus to benefit commerce and the interest of the public generally. If this government chooses to carry out the views of modern political economists, and by a Legislative Act establishes a local post-office able to convey the Canton correspondence expeditiously, it would be hailed as a public benefit; but so long as this is deferred, any interference with private arrangements is vexatious and ill advised in the extreme; nor, as we have already said, do we believe that the Supreme Court will countenance the postmaster in the attempt he is making to sacrifice the interests of the community.

A meeting was recently held on purpose to arrange a memorial to the postmaster-general, praying that he would be pleased to cancel certain instructions to Mr. Hyland, regarding the prepayment of letters, &c. It is impossible for the postmaster to carry out these instructions, if he had the desire to do so, and his own representation would have been sufficient to get them set aside. It strikes us that the attempt to interfere with the communication between this colony and Canton, is a matter of much greater importance, and would be more worthy of a memorial from such an influential body as the merchants of China.

A contemporary asserts that the postmaster offered the owner of the Corsair two-pence for each letter he would carry to Canton, and that the offer was refused. This is not quite correct. The owner of the Corsair was willing to carry a mail bag, and to hand it over to any duly accredited agent for the post-office; but he very properly refused to distribute the letters, a duty which is never imposed upon the carrier of mails.

Some weeks ago the Hon. Company's steamer Pluto took a post-office mail to Canton. A friend informs us, that upwards of 12 hours after the Pluto had anchored he received a packet of letters, the postage upon which was 8*s.* We wish to be informed under what authority the postmaster levies such exorbitant rates.

We have received an extract from a letter, dated Canton, 24th, which is quite apropos. The writer says, "Just fancy my getting this evening, from an official, a letter from your place, dated the 4th February. Why? Because he sent it through the Hong Kong post-office." The letter was precisely one month and 20 days in finding its way to a gentleman well known in Canton!!—*Friend of China, March* 27.

Captain *George Balfour*, of the Madras Artillery, called in; and Examined.

Capt. *G. Balfour.*

1 June 1847.

4314*. Mr. *Ewart.*] ARE you the British consul at Shanghai?—I was lately consul at Shanghai.

4315. How long were you there?—I was stationed there three years, at the end of which time I resigned.

4316. From the beginning?—I went to China, in the first instance, with my corps in 1840, on the staff of the artillery and Madras troops, and served during the whole of the campaign until the termination of the war, when Sir Henry Pottinger appointed me consul, and gave me the selection of the port at which to be stationed; I selected Shanghai, and removed thither in November 1843, when the port was forthwith opened for trade.

4317. Under what treaties and tariff are our commercial arrangements with the Chinese empire conducted?—The treaty of Nankin; and the commercial regulations, supplementary treaty, and tariff of 1843, were the basis upon which our commercial intercourse commenced. Since then the American and French treaties of commerce have been formed, under each of which slight modifications were made, both upon the original treaty of Nankin, and upon our tariff.

4318. Are the conditions and regulations imposed by those treaties the same as in ours?—The substance of all the regulations, both in the French and American treaties, is similar, in every respect, to those of the English. There are some slight modifications; some slight advantages.

4319. What are the modifications?—Under the treaty of the United States of America the following alterations were effected:

When a vessel has paid her tonnage dues, but is not able to dispose of her cargo, she may go to another port, without being obliged to pay tonnage dues again.

If a merchant vessel has anchored in a harbour, but not yet broken bulk, and wishes, within the space of two days, to proceed to another port, she will pay no tonnage dues.

When a merchant vessel has entered the port, paid the whole of the duties and dues, and wishes to proceed with the laded goods to another port, to sell the same, she is exempted from paying tonnage dues and duties a second time.

In this treaty also several rights were more clearly defined, such as that of renting ground on which to erect chapels, and to form a burial place; also of employing Chinese teachers for acquiring the language of China, and of purchasing all kinds of Chinese books.

All those alterations had in a degree been obtained by the consuls of Great Britain, without the necessity of having them by treaty. There are some stipulations doubtful, in my opinion, as to their utility; at all events, they might have been improved. I obtained the full approval of all the Chinese officers at Shanghai to the establishment of a bonding warehousing system, which I think would have been found superior to the arrangement made by the United States for re-exporting goods, on certificate of the duties having been paid; but it was defeated by the treaty of the United States being entered into.

I have not seen an official version of the United States' treaty in English, but from what I can ascertain from the Chinese version of that treaty, there are two very questionable points which the United States have agreed to: one, the payment of the duties on the import cargo of their vessels before the lading of the export cargo, whereas by the treaty, &c. of Great Britain the duties on exports and imports are payable only on the vessel leaving the port. Again, vessels resorting to other places except the five ports, for the sake of clandestine trade and smuggling, and introducing opium, with all other kinds of illicit articles, will be proceeded against and punished by the Chinese local officers. Considering that the United States have followed the example of Great Britain in taking from China jurisdiction over the citizens of the United States in every other respect, I must say that I do not recognize the policy of admitting this partial jurisdiction, more particularly when it is notorious that the flag of the United States covers the opium traffic on the coast to the fullest extent that the merchants of the United States in China can obtain business in that article. In all other respects, the treaty of the United States is a mere repetition of the treaties and regulations of England, somewhat differently arranged, and but very little improved.

Capt. *G. Balfour.*
1 June 1847.

4320. Then does the American treaty extend to foreign nations as well as the English treaty?—Sir Henry Pottinger established that the advantages obtained by his treaty with China should be enjoyed by all foreign nations equally with England, and in the supplementary treaty provided that all privileges or immunities hereafter granted by China to foreign nations shall be extended to and enjoyed by British subjects. The Americans and French made similar provisions in their treaties.

4321. And that extension of 24 hours which the Americans possess is not peculiar to them?—No; as soon as the privilege was known to be in existence, on the demand being made by the different consuls, it was at once allowed by the Chinese authorities.

4322. Whenever any foreign nation obtains an advantage, that is extended to other nations?—Yes, the whole bearing of the Chinese is to that effect. Under the French treaty there is one peculiar privilege, that ships of war can visit any port in China; that is also allowed to the English. Under the American treaty there was an advantage obtained, viz. that goods having been once landed could, on a certificate that the duty had been paid, be re-exported, and landed at another port without payment of additional duties. The Americans also effected a reduction of the duty imposed by the English tariff on lead and ginseng, which are products of America and also of China.

4323. What is ginseng?—It is a remarkable medicine which the Chinese constantly praise up; it is a bitter and tonic; they seem to attach a valuable property to it, far more than it deserves.

4324. What arrangements did you make at Shanghai for the residence of the merchants and their families, and defining the limits in accordance with the treaties?—By the treaties of England, America, and France, the right exists for each nation to have separate positions set apart at each port for the residences and warehouses of the merchants of the respective nations and their families. On visiting Shanghai upon our return from the Yangtszekeang, after the peace in October 1842, Sir Henry Pottinger instructed me to examine the localities about the city, and to select a position suitable for the purpose. I accordingly, in conjunction with the Chinese authorities then at Shanghai, pointed out a tract of land situated on the north and east of the city, but scantily pre-occupied by Chinese, well defined by natural boundaries, having a river frontage of about 3,600 feet, off which merchant ships could lay with ease and safety, and with an open country inwards from the river. On my return to Shanghai, in 1843, to open the port, the boundaries of the position were officially fixed by me, in communication with the Chinese authorities. During the course of my residence at Shanghai, the several firms and private individuals who resorted to the port for trade and other purposes successively obtained fine, well-situated, and extensive lots, on which commodious buildings for residence and warehousing of goods have since been erected; and before I left, in October last, I had succeeded in obtaining large lots for a church, a burial-ground, and the erection of a consulate, besides locating the establishments of the Medical Missionary and London Missionary Societies*. The various correspondence to and fro upon the subject of the land, containing all the rules, &c., appertaining thereto, were last year condensed into a code of land regulations, since laid before and printed by the House of Commons†, in which will be found all information regarding the nature of tenure, the rents, and all other arrangements, &c. I entered more particularly into the subject in my despatch to Sir John Davis, No. 38, of 28th April 1846, in which I detailed the further improvements I considered requisite.

* Comprising an area of about 100 English square acres of land.

† *See* p. 83 of Papers, Returns of Trade, &c., presented to House of Commons in pursuance of Order, 22 January 1841.

4325. How far are they allowed to go into the interior?—The limit was fixed to a period of 24 hours' absence, which enables them to travel a distance of about 30 miles. I wish to exhibit a map of the province, in which the exact distances were laid down, which will enable the Committee to judge whether the limits are sufficient for the purposes of exercise for which they are given.

4326. Do you consider them sufficient?—I should say so, most decidedly. It is impossible for any consul to be answerable for the state of affairs in China unless some restriction exists with reference to liberty. I should desire to see full liberty for all foreigners, but with the serious responsibility resting upon the British consul to see that justice is done to the Chinese, I would not answer for peace between the two nations unless some restrictions were placed upon the intercourse with the interior.

4327. It

4327. It has been stated to the Committee that foreign nations with no consul have greater liberty than Englishmen have?—At Shanghai there was no instance of any American or any other foreign subject, except one of the attachés of the French minister, having exceeded the bounds to which English subjects are entitled to travel. The Americans and subjects of other nations have apparently, and in some cases really, more liberty than those of England, but simply from the fact, that, from the first, English authorities have been placed at every port open for trade, while America and France have not even up to the present time as yet fully carried out their part of the compact with China, as far as appointing responsible officers, with adequate powers, at the several ports, over their respective subjects, is concerned. The consequence has been, that the English authorities have had all the toil and labour of establishing and executing local rules and regulations, making themselves conspicuous thereby, while even the few representatives of America and France are merchants, merely acting, and are naturally in the interest of those who reside there, and may be supposed, in consequence, to connive at or overlook many things, taking advantage, when convenient, of the rules established by the English authorities. Again, English subjects have lived under an authority obliged to be strict, from the responsibility resting on it, while subjects of other nations have been able to proceed uninterfered with and unmolested by any one, and have been more leniently regarded by the Chinese, and allowed a somewhat freer scope, on account of their being without responsible authority over them. The Chinese also are always backward to come in official contact with private individuals, and would rather temporarily wink at a trespass of any kind, and let such accumulate for further notice hereafter, than risk collision with any not clothed with equal authority with themselves. I am certain that this system could not have gone on so long had the Americans and French been more numerous.

4328. You consider, from your experience of the Chinese character, that it is requisite to have some restrictions upon the proceedings of foreign subjects?—It is with reference to this that the right having been taken from China to control foreigners resorting to that country, the whole power is vested in the officers of the foreign governments to do so. If further privileges are considered necessary, the Government must be prepared to extend their officers, so as to insure to the Chinese perfect safety and security.

4329. Upon what terms have you been officially with the Chinese authorities, and on what terms have English residents been at Shanghai with the Chinese?—I parted with the Chinese officers with great respect and regard; for I found them, although upholding their own institutions, ready to attend to every just claim that I brought before them. I experienced opposition in many instances, but nevertheless they have in a remarkable degree fulfilled the stipulations of the treaties.

4330. What were the feelings of the Chinese people towards the English and other foreigners?—I would rather that that answer had been taken from other persons; but I must say that the natives of that part of the country were on exceedingly friendly terms with the whole of the foreigners, and that no serious hostility was displayed towards any foreigner going to the extent to which the limits allowed him.

4331. Is there a great difference between the treatment of foreigners at Canton and at Shanghai?—I was only stationed at Canton six months, but there is a very marked difference.

4332. To what do you attribute that difference?—The inhabitants of Canton have always been considered by the Chinese themselves as a turbulent race, and their feelings against foreigners were formerly no doubt rather encouraged than otherwise by the authorities in aid of their restrictive system. I consider also, that the forbearance shown during the siege of Canton to the rabble multitude assembled on the heights against our forces, was falsely construed on their part into fear of their array, and consequently gave them increased pride. The people have always imagined themselves capable of contending with foreign soldiers.

4333. Is it the case that individual license on the part of the English has gone rather far at Canton, and that the English consul's authority has not been sufficiently maintained; that there have not been the means of giving a

Capt. *G. Balfour.*

1 June 1847.

due impression of our power and authority there on the part of the Government?—Since the abolition of the Company's charter we can be hardly said to have had any authority at Canton at all; for the superintendent of trade was seldom there.

4334. The question refers to the period previous to the late dissensions between England and China?—Between 1834, when the Company's charter was abolished, and 1839, we could hardly be said to have any authority there.

4335. Looking back to the time when the East India Company were there?—I consider that the state of affairs at Canton at the present moment is much worse than it was during the Company's time. I am merely giving my opinion from what I have heard.

4336. Can you state whether, in the north of China, the people have any feeling of hostility towards foreigners?—They have not; they have not had the same reasons; but I am not sure that, unless some restrictions are observed, the same feelings will not arise. In Canton they have been in contact with foreigners for above a hundred years. They are a wealthy race; they have a great deal of pride; and the Canton people are known among the Chinese as an exceedingly violent and seditious class. They are very different from those in other parts of China, excepting those of Fokien.

4337. Sir *G. Staunton.*] Do you consider that the exasperation of the population of Canton against foreigners has increased rather than diminished since the abolition of the Company's charter?—Quite so.

4338. Mr. *Ewart.*] To what do you attribute the increase of outrage on the part of the Chinese?—My impression is that it is from the violent discussions which have been going on, and from the fact that more foreigners resorting to the place, there are more persons to come in contact with. The trade has completely changed hands from what it was after the Company's charter was abolished; and many inexperienced men have come out to China.

4339. Can you state what internal duties are levied in China on imports and exports, independently of the duties payable at the maritime custom-house?—Under the 10th article of the treaty of Nankin, under express orders from home, it will be seen that particular care was taken to provide for the exercise of control over the inland or transit duties of the Chinese empire, in regard to our merchandize passing into the interior of China. In that article a blank is left for the per-centage to be levied for these duties on the value of our goods, as at the time the treaty was made there was not sufficient means of reference to ascertain the exact rates of duties leviable at the different inland custom-houses of the empire. On the ratified treaty of Nankin being exchanged at Hong Kong in June 1843, a declaration was then made and signed by the plenipotentiaries of England and China, and attached to the treaty, that the "transit duty shall not exceed the present rates, which are upon a moderate scale." Independent of this guarantee, which we hold by treaty, we have a correspondence containing assurances of the Chinese Commissioners as to the little injury likely to result to our commerce from these duties, which we well know are generally light throughout China. What we have to fear and to guard against are exactions by the subordinates of the custom-houses, in addition to the imperial duties which have been established, and which cannot be well changed without our knowledge. I consider that the Government of England and Sir Henry Pottinger, who was perfectly alive to the evils which might result to our trade from those duties, have established every precaution possible to keep these (I must admit) dangerous duties under some check; it only remains for the consular officers to exercise strict vigilance.

4340. Are there any internal duties after goods have passed the custom-house?—A variety of custom-houses exist throughout the whole empire. Of those which affect our interests most, one is situated in the province of Canton, Tae-Ping-Kwan, about 120 miles from the provincial city; another in the province of Kiang-se, Kan-Kwan, which is on the northern side of the Miling Pass; another is situated at Hang-chow, about 70 miles from Shanghai, which is the Pih-Sin-Kwan.

4341. Are those all the internal custom-houses?—Those are the three which most materially affect our commerce, as through them our goods chiefly have to pass.

4342. What is the nature of the duties levied at those custom-houses?—Chiefly by weight, and on cotton and woollen manufactures by the piece.

4343. Are

4343. Are the duties heavy?—The duties are nominally exceedingly light; the exactions, however, in several instances have been somewhat excessive.

4344. What security is there against those exactions?—Such abuses can only be checked by strict and constant vigilance on the part of the officers of the consular establishment efficiently kept up, both as regards numbers and capacity, and above all, by the officers possessing a thorough knowledge of the Chinese language. The inland duties of China are exceedingly similar to those which existed in India; in fact, the description of the one as they were is applicable to the other as they now are; the difficulty, or rather the impossibility which was experienced in checking the evils inseparable from the transit duties of India, fully exists in regard to those of China. I can suggest no other complete remedy for the injury which they may do our trade, than by effecting, as was done in India, their entire abolition, unless indeed they could be made payable at the ports previously to the merchandize passing into the interior, in which case they could be completely under the scrutiny of the consuls. It is a question well deserving of serious negotiation, in order to guard against the irritation which must constantly arise from complaints against those exactions which will more or less exist. The question is one merely of money, and provided the inland custom-houses obtain from any source the amount of fixed revenue which they have hitherto received, I cannot suppose that so reasonable a people as the Chinese officers could refuse to entertain the question. A slight increase on the present export duty on the silk would provide the means for replacing the deficiency.

4345. Supposing a certain amount of cotton goods are disposed of at Shanghai to a Chinese, and the Chinese takes them to the interior of China; if a high duty is levied at a custom-house in the interior, upon the transit of those goods, will not that fall back upon the English importer?—The levying of a high duty did take place during the time I was at Shanghai; but it was illegal and contrary to treaty, and contrary to arrangements with the Chinese government. The instant I obtained sufficient proof to establish the fact of a very high duty being levied upon our cotton manufactures, representations were made to Sir John Davis and to the custom-house officers in charge of the custom-house in question, and a reduction was made to a moderate rate; and when I left the place I was carrying on a correspondence to effect a further reduction; since my departure it has, I believe, been continued, and I have no doubt that the Chinese will themselves reduce the rates to what I recommended.

4346. Dr. *Bowring.*] What do you mean by very high duties, and what do you mean by moderate?—The per-centage of which I complained amounted to about 30 per cent. of the then value of the cotton goods; they reduced it from that to about five per cent., and I continued the correspondence to get it down to about three per cent.

4347. Mr. *Ewart.*] Can you state the duty established by law?—The imperial duty is established by law. I will hand in a statement which conveys some idea of the transit duties levied at the different custom-houses, though it is not exact. It is a public notification, issued in China, furnished to the different consuls for their guidance.

[*The same was delivered in. Vide page* 13 *of "Statement of the Foreign Trade with China, and an account of the Inland or Transit Duties of the Chinese Empire;" printed for the House of Commons in* 1844.]

4348. As far as you are acquainted, that statement was correct?—I believe it requires modifications. This is a statement of duties extracted from books published under authority in China, but liable to be modified by more detailed orders from the board of revenue in Pekin to the different custom-houses. It will be seen that the definitions in the tariff are not sufficiently clear; that the denominations of the measure and weight to be employed, the length and breadth of the manufactured goods and their quality, the fineness of touch of silver in which the duty was to be paid, are not stated; these are the minute points to which the consuls have to give their serious attention to enable them to check and control those abuses which will arise in any country, and particularly in China, from vagueness in the tariff.

4349. Dr. *Bowring.*] In what official document at Pekin did the commercial regulations appear?—There is a statement of the laws of the board of revenue; the Russian tariff is there inserted. The tariff with foreign powers has

Capt. *G. Balfour.*

1 June 1847.

not yet been published therein by official authority; it is recognized by the emperor, and published by the commissioner who has charge of the five ports.

4350. How does the central authority, with respect to the revenue, communicate with the subordinate authorities in the provinces?—The jealousy which exists in the Chinese empire requires that the report shall be conveyed through different channels, one of which is the officer entrusted with the charge of the inland custom-houses; they are generally Tartars, selected from the three banners peculiarly set apart for the household service of the emperor; and from their influence about the palace they have more power than Chinese generally possess.

4351. Are the regulations with respect to the internal communication, and the duties levied on articles, the same throughout the whole empire, or are they different in different localities?—The inland duties are different at different custom-houses, but the maritime duties at all the ports in China are very similar for the Chinese trade; for the foreign trade for all foreign nations, the tariff is the same.

4352. Will goods bought at Canton and goods bought at Shanghai, destined for the interior, both pay the same internal duties?—That depends upon the part of the country they go to; of course Shanghai being situated close to Soochow, goods going to that city would escape all duties; goods passing from Canton to Soochow would have to pass on route three custom-houses; goods passing from Shanghai to Canton would pass the same; but since Shanghai has been opened so near to Soochow, the centre of the province, no goods have come from Canton to Soochow.

4353. Is there a central custom-house at Pekin?—There is a revenue board which controls all the revenue of the empire; all the custom-houses are subordinate to that board.

4354. Mr. *Harcourt.*] If goods pass through three custom-houses, do they pay the same amount at each?—No; the duties vary in amount.

4355. Mr. *Moffatt.*] What per-centage is generally levied at those custom-houses in the interior upon great staples, such as cotton?—Taking cotton goods, I have been of opinion that a difficulty would arise in rating the proper duty, piece not being defined in the custom-house tariff; that was one of the points upon which I had a correspondence which is still continued; but at that time, in consequence of exactions, the rate levied was as high as 30 per cent. upon all cotton goods.

4356. Dr. *Bowring.*] Are there any duties upon consumption, like the French octroi?—At the principal places, such as Miling, which is a pass over the mountains between Nangan-foo in the Kiang-se province, and Nanhesing-foo in the province of Canton, there is a light tax raised for keeping up the road, but the Chinese themselves attach no importance to it as to amount.

4357. Mr. *Moffatt.*] It is a sort of turnpike toll?—Yes; and there is a slight duty levied upon all articles passing into consumption in the towns of China; the officers assist the people likewise in weighing their firewood, &c. &c., and the wood is sold according to the weight ascertained by the officer at the gate.

4358. Dr. *Bowring.*] When a duty is levied at the entrance of a town, is the duty restored when the goods leave the town?—No; it is very trifling; the internal duties in all parts of China are light. The home trade is entirely carried on in that manner. Goods going from one port to another pay duties of two or three per cent. at the utmost; less than that in the different towns.

4359. Are the duties all paid in metallic currency?—The custom-house duties are entirely paid in silver. The land-tax is paid in copper cash, and grain.

4360. Mr. *Harcourt.*] It appears that the fiscal regulations are very voluminous, for the tariff here given purports to be extracted from the 30th and 31st volumes of a work on the revenues?—One Honourable Member of this Committee has made an excellent translation of the Laws of China, which are comprised in 45 volumes, and it is translated and bound in one quarto volume in English; an instance of the size of these so called volumes.

4361. Dr. *Bowring.*] What is the form in which revisions of the commercial laws respecting duties levied take effect. Can you describe the functions of the revenue board?—At Shanghai, the maritime customs have not been revised for upwards of 80 years. The whole institutions of China are very unchangeable; the taxes and customs being all very light, they necessarily do not require

so many changes as heavy taxation would give rise to. The Board of Revenue is one of the six Boards for managing all the affairs of China, having charge of all revenue affairs of the empire, from whatever source derived.

4362. In the case of complaints as regards the duties levied by the Chinese on British manufactured goods, for example, to what functionary would the Consul apply?—The Chinese themselves generally appealed to me; in the only instances of any importance that arose, they appealed to me, and I immediately applied to the highest Chinese officer at the place.

4363. Then the Chinese apply to the British authorities for the redress of the grievance?—Constantly; they are entitled to do so in all affairs connected with us. It is a very nice question for the Consul to consider, how far he shall interfere between the Chinese officers and their own people; but in cases affecting our treaty, or anything of that kind, I conceive the Consul justified in doing so.

4364. Is there any article in the code which authorizes the interference of our Consul in such cases with the native authorities?—Yes, there is a right to the Consul to appeal to the Chinese authorities with regard to English questions. A right is given to the Chinese to appeal to the British Consul on matters where foreigners are concerned. It is a nice question as to how far the Consul should interfere in questions affecting Chinese people, but still the connexion between the two nations requires that matters should be carried on so as not to affect our trade; and I have understood that the Consul is always entitled to call upon the Chinese to do what is in accordance with their duty towards us.

4365. That is, if a Chinese person complained that the duties levied by the Chinese authorities upon British goods were higher than was allowed, you think that the British Consul might represent that complaint to the Chinese authorities?—Yes; but it certainly requires some consideration before the officer should interfere.

4366. Mr. *Harcourt*] How does he enforce his interference?—I was on those terms with the Chinese officers that I could always privately, and by various means, induce them to attend to it. Subsequently, when I got authority from Sir John Davis, the correspondence to which I have referred passed.

4367. Have you any means of enforcing attention beyond the moral effect of your advice and suggestion?—I conceive that the moral effect of England exists.

4368. Dr. *Bowring*.] Have you found generally a disposition on the part of the Chinese authorities to redress any grievance?—Particularly so, on all occasions when just demands were made.

4369. Did you find that, without reference to higher authorities, they took upon themselves, for instance, the settlement of questions in the locality?—There were many questions which were brought forward, which required the interference of higher officers; for instance, with reference to the inland custom-houses, and to interference with the line of route of the teas; these questions went before the highest officers, and before the Emperor.

4370. Do you think there is much bribery existing among the subordinate officers in the Chinese custom-house?—There was none brought before me. I induced the Chinese authorities to establish a Chinese custom-house on the banks of the river in the centre of our location, and immediately opposite our loading and unloading anchorage, for the special examination of the goods of the foreign trade, and to have an efficient establishment of officers ready at the established hours to examine the goods of our merchants; these goods were easily taken in boats to the jetty immediately in front of and close to the custom-house, where an officer at once examined and passed them, without landing all the goods, and this was done with remarkable facility and dispatch. The object I had in view in having a centrical custom-house, and of having the examination of merchandise strictly confined to one spot convenient to all, was to ensure supervision by the consul and chief Chinese authority of the place over the subordinates of the custom-house, and thus not only establish regularity, but check those abuses and that corruption so certainly injurious, not only to our general interests, but also to the honest and fair dealing merchant, and to secure to the Chinese government the full payment of their just dues, to which I attach great importance.

4371. And no complaints were made, on the part of the Chinese, of those authorities?—There were trifling disputes with reference to measurements

Capt. *G. Balfour.*

1 June 1847.

and weights at first starting; but I do not recollect any dispute with reference to the payment of our maritime duties of the slightest importance.

4372. Mr. *Harcourt.*] What are the districts, and what are the distances from Shang-hai, from which the green teas are obtained for home consumption?—I have no personal knowledge as to the districts, distances, and other points; but my attention was directed to the subject during my residence in China, and the result of the inquiries and information is that the green tea is cultivated in a large section of the country, lying partly in the provinces of Ganhway, Keangsoo, and Chekiang.

The principal district or depôt for collecting the green teas is that of Woo-yuen-heen, in the department of Hwuy-chow-foo, in the province of Ganhwuy.

Woo-yuen is 240 le south-west of Hwuy-chow, and situated at the south-west extremity of a range of hills called the Sunglo Hills, which divide this province from that of Chekiang and Keang-Se, between the 30° and 31° parallels of north latitude; and it is separated from Hwuy-chow by a chain of very high hills, over which there is a road.

The tea plant is indigenous to these hills, and green tea manufactured in this region in the greatest abundance.

The Twankay green teas, so denominated from Tun-ke, or the Valley Rivulet of Tun, near Keen-tih-heen, in Yen-chow-foo, in the province of Chekiang, distant from the capital city Hung-chow 290 le, in a south-west direction, where these teas are raised.

Green teas are also, I understand, obtained from the same hills as the teas denominated the Ankoi teas are procured, on hills situated in the province of Fokien.

Also in the province of Canton, I believe, the districts of Ho-ping, Ho-shan, and Tsing-yuen furnish green teas; but chiefly from Ho-shan. The chief supply for our consumption is, however, obtained from the districts in Ganhway, Chekiang and Keang-soo.

Hwuy-chow-foo is in north latitude 29° 58′ 30″, and east longitude from Peking 2° 3′ 20″, and is distant 130 miles in a direct line from Nanking, and 155 miles from Shang-hai.

The green teas for the Canton market have hitherto generally been conveyed by an inland water route from the depôt Woo-yuen-heen, in Hwuy-chow-foo, through Shun-gan-heen and Yen-chow-foo to the river Tseen-tang, which falls into the Hang-chow Gulf, close to the city of that name; these teas then ascend this river till they reach the source at Chang-shan-heen, where they are unladen and conveyed across a pass, over which there is a well-paved and good road, a distance of 120 le to Yuh-shan-heen, in Keangsoo; there the teas are again put on board small boats and conveyed to Ho-kow, a distance of 120 le, and here they meet the black teas, and the route for both green and black teas to Canton from thence is the same.

The greater portion of the green teas that have as yet come to Shang-hai have hitherto taken the same route as for Canton, as far as the river Tseen-tang; but there they branch off in an opposite direction to that which they take for Canton, and instead of ascending, they descend that river to the city of Hang-chow, and are there transhipped into large boats, and transported on the Grand Canal as far as Keahing-foo, near which they enter without being unladen the fine river the Hwang-poo, which flows thence to Shang-hai.

By this route the direct distances may be estimated at about 250 miles for the green teas to pass on to Shang-hai; but only about 200 miles if they proceeded on to Ningpo, there being a canal leading towards that place near where the green teas enter the river Tseen-tang; probably a quarter ought to be added to these distances from the curves in the rivers and canals, as the usual distance stated by the green-tea men, which these teas have to pass over to Shang-hai, is 1,000 le, or about 10 days' journey.

It will be seen that Woo-yuen-heen is not conveniently situated as a mart for collecting the green teas for the Shang-hai market, although comparatively conveniently so for the Canton market; I have very little hesitation in stating, that as there are other more suitable marts partially established, these will be eventually used for collecting the green teas intended for Shang-hai, and thereby considerably shorten the distances, and consequently reduce the cost of transport of the green teas.

For instance, there are green tea marts at Shing-tang and Nan-haou, in the department

department of Soo-chow-foo, in the province of Keangsoo, a distance of only about 60 miles from Shang-hai. Capt. G. Balfour

1 June 1847.

Some green teas have come on to Shang-hai by other routes than the one described; but even if Woo-yuen-heen is kept up as a mart, there is a more convenient route from thence to Shang-hai than the course hitherto followed.

From Wooyuen, in a northerly direction, from a chain of hills to Keen-teh-heen, in Ganhwuy, is one day's land journey. Their water communication to the noble river the Yang-tsze-Keang commences to Tung-lew, on the banks of that river; then descending the river, they pass on the banks several very considerable cities, as far as Tae-ping-foo, which is a large city, 10 le to the south-west of Nanking; there, leaving the Yang-tsze-Keang, canal navigation commences, passing through the city of Kaou-shun, across a lake to Tung-pa, where a neck of land, about three miles, or nine le wide, interrupts the water communication. The teas have then to be transported across, but over a good road, to a small river, where they are put on board boats and conveyed for a short distance till they reach the great canal, which passes on to Soo-chow, and from thence to Shang-hai by the deep river which joins those two places.

The extensive departments of Hwuy-chow-foo and Ning-kwo-foo are the chief places of residence of the green-tea men; the names of these two places are found mentioned at Canton in distinguishing this peculiar class, and at Shanghai they have had for many years established a Hwuy-kwan, or meeting-house, which merchants and others, natives of other provinces, so invariably form at important trading cities, to which they resort for their own protection, and for the settlement of their own affairs.

From Hwuy-chow to Nangkwo-foo is a distance of 75 miles, thence to Soo-chow 95 miles, and thence on to Shanghai, a distance of 195 miles by water, with only a land transit of about 15 miles, making in all 210 miles, adding for the windings, say about a quarter increase of distance. There can be no doubt but that all the green teas will in a very short time be brought to and exported from Shanghai or Ningpo, the facility of communicating with those places being as much greater than with Canton, whilst it is in distance not one-third.

4373. What distance would that be?—Taking three or four le to an English mile, it would be about 300 English miles; a le is 360 poo.

4374. Then the green tea is grown about 300 miles from Shanghai?—Yes.

4375. Occupying how much time in its transit?—Ten days' transit entirely by water, except a few miles.

4376. How many tons does a boat convey from the interior?—The boats are changed according to the nature of the water communication. From Souchoo to Shanghai junks of a considerable size are able to sail; say from 250 to 300 tons.

4377. Is that in the canals?—No. There is a river running up to Soochow from Shanghai; but the Grand Canal itself is capable of taking grain junks of 300 tons.

4378. Where is the black tea grown; how far from Shanghai?—There are several places from whence we obtain our supplies of black teas. Fokien is the province from whence our main supply of black teas is procured.

The Bohea teas are raised in the district of Kien-ning-foo, a department of that province, and distant 480 le from Foochow; the capital is in north latitude 27° 3′ 36″, and longitude east from Peking 1° 59′ 25″.

The portion of the Bohea (Woo-e) hills, where the best teas are raised, is situated in this department, at two leagues distant from the town of Tsung-gan-heen, which is in latitude 27° 47′ 38″, and east from Peking 1° 39′ 20″, and distant north-west from Kien-ning 240 le.

Throughout all this department, but chiefly on this portion of the Woo-e hills, the black teas are raised, and are collected at the mart called Sing-tsun, in the district of Tsung-gan, and from thence conveyed by a difficult and somewhat tedious land and water route across the hills which separate Fokien from Keangse to Yuen-shan, in Kwang-sin-foo, of the province of Keangse, and from thence to Ho-kow, on the banks of the river Kewh-kow, which falls into the Poyang Lake; at this place the green and black teas meet, and by this river they descend to proceed en route to Canton; but to go to Shanghai the black teas ascend to its source at Yuh-shan-heen, where they are conveyed over a pass to Chang-shan, at the source of the Tseen tang river, which they

Capt. *G. Balfour.*

1 June 1847.

descend to its mouth at Hong-chow, where they are transhipped on to boats on the Grand Canal, and are conveyed to Shanghai in the way the green teas are. The distance to Shanghai from Sing-tsun being about 1,100 or 1,200 le, about 300 or 400 miles, and to Canton from Sing-tsun about 2,700 or 2,800 le, or about 900 or 930 miles.

Those kinds of teas known as Ankoi teas come from the two extensive districts of Nan-gan-heen and Gan-ke-heen, in the department of Tsuen-chow-foo (Chinchoo) of the province of Fokien-ling, in north latitude 24° 53′ and east longitude 118° 38″, situated upon the banks of a river which falls into the bay of Chinchoo, distant from the mouth 10 miles; vessels of 17 feet draft can reach within five miles of the city.

The districts of Gan-ke and Nan-gan are only 100 and 45 le respectively distant from, to the westward of the Foo (Tsen-chow); the denomination given to their teas being collectively taken from the one district Gan-ke or An-ke, for all the teas grown on the hills of the two districts, which like the Bohea hills are of great extent, and produce many different kinds of teas.

In the province of Canton there are several districts which furnish a considerable supply of teas, comprising both green and black.

The districts of Ho-ping (Wo-ping) and Tsing-yuen furnish the most black, and Ho-shan the most green teas.

The district of Ho-ping, in north latitude 24° 30′ and east longitude 114° 55′, is in the department of, and distant north-west 400 le from Hwuy-chow-foo, of the province of Canton, which is in north latitude 23° 2′, and east longitude 114° 12′, and 390 le east of Canton. This district is in the north-eastern part of the Canton province, bordering on the Keangse and Fokien provinces.

The district of Tsing-yuen is in the department of, and distant north-west 340 le from Canton.

The district of Ho-shan is le south-east from, and situated in the department of Shau or Chau-king-foo, which is 290 le west of Canton, the seat of government of the province.

4379. Then do you consider the black tea and green tea to be essentially different?—I am not botanist enough to be able to state that. Climate, soil, culture, curing, and position must be considered.

4380. But you speak of them as coming from different districts?—Quite so; the green and black tea men are also very different in character and habits.

4381. Do you consider them to be distinct shrubs?—I would rather not give an opinion upon that; I am not a botanist, and opinions are so various upon that subject.

4382. Is it your belief that the different qualities of tea are produced in different districts of China; and if that is your opinion, will you state in what districts the different qualities of tea are produced?—The great distinction is that in Fokien province the black teas are produced; in the province of Ganhwuy green teas are produced. In the province of Canton both green teas and black teas are said to be produced, as also some in the province of Fokien, from the Ankoi hills, for instance.

4383. Do the teas exported from Canton chiefly come from those districts which are within easy reach of Canton, or do they come partly from those further north?—With the exception of those teas conveyed from the coast of Fokien to Singapore in Chinese junks, and to a few teas taken to Canton by sea, the whole of our supply of teas was by land transit conveyed to and exported from Canton prior to the opening of the new ports, and the lines of communication are not yet fully changed. For instance, from Shanghai there has not been more than 10,000,000 lbs. exported during the past year, and I estimate the entire exportation of teas from China to be about 80,000,000 lbs.; the whole of which, except the quantity from Shanghai and a trifling quantity from Amoy and Fuhchow, have been exported during the past year from Canton. The teas produced in the provinces of Fokien, Ganhwuy, and Chekiang have, with those raised in the province of Canton itself, all been hitherto exported from that port; but, in my opinion, a very great change will eventually and, I think, early take place in the places of export. Shanghai and Ningpo will undoubtedly be the ports whence the green teas will be exported, with a large portion of black teas; and the very detailed report of Mr. Alcock, recently consul at Fuhchow, and now consul at Shanghai, holds out very strong expectations of the Fokien teas being capable of being exported from Fuhchow;

Fuhchow; and there can be no hesitation in saying that Amoy must become the place of export for the Ankoi teas, if these should ever become an article of increased demand for English consumption. Canton will thus only have to export the teas raised in that province, and which are not in great demand for English use. These changes in commercial routes can only be brought about by time, and as our trade developes itself.

4384. Do you believe that the same districts supply tea for export and for internal consumption?—Decidedly. The internal consumption is supplied chiefly from the same parts of the country that we obtain our supplies from.

4385. Do you believe that it is a very small proportion of the production of those districts which is exported?—If we can credit the consumption throughout China to be what Europeans have seen at the several ports which they have visited, the quantity of tea exported must be very small compared with the quantity required for home consumption. But the difficulty is, to say that the Chinese consume as much in the western and northern parts of the empire as they do in the parts to which we have had access.

4386. Have you any knowledge that in the western parts of China there is no production of tea?—On the contrary, we have reason to believe that there is a great deal of tea grown in the western parts of China; but to those points no European has penetrated, except the Catholic missionaries, who have not in modern times published anything with reference to that question.

4387. Dr. *Bowring.*] Does the tea arrive at the ports from the tea-producing districts at different periods of the year, or only at one period?—The disadvantage of Canton is, that only during one period of the year teas arrive there, from the month of October to the end of the year. At Shanghai the same tea is brought at different periods during the year. The first crop of Pekoe tea has hitherto been brought to Canton at the same time that the Congou tea has been brought; at Shanghai the first crops have arrived as early as June and July, and from that time we have the same advantages that Canton formerly enjoyed, and to a later period in the season.

4388. Is the cost of warehousing at Shanghai considerable?—The English merchants have their own warehouses.

4389. Is the rental high?—The buildings belong to themselves, and the land is let in perpetuity to the English; the annual quit-rent is trifling.

4390. Mr. *Moffatt.*] You say that the tea begins to arrive at Shanghai in June; does it continue to arrive after that?—It goes on to arrive till the end of February, so that it is arriving eight months out of the twelve.

4391. Whereas at Canton it arrives only four months in the year?—Yes.

4392. So that the English consumer gets his tea fresher?—Decidedly.

4393. Dr. *Bowring.*] Are the stocks of tea for export pretty large at Shanghai?—Teas have only been exported there during the last two years, and the whole of the teas have generally been cleared from the market; but the port has not been sufficiently long open to speak of the result, except that our export has gone on increasing, and I have no doubt will continue to increase.

4394. Have you heard any estimate made of the difference between the cost of conveying tea to Shanghai and to Canton?—I have heard it estimated for the low teas at 30 per cent.; three to four taels per picul is the reduction in cost of transport.

4395. Are there any opulent merchants settled at Shanghai?—Shanghai is a mere port; Soochow is the great place, the nucleus whence all our imports through Shanghai are dispersed over the interior; a great deal of wealth is centered there.

4396. What is the distance of Soochow from Shanghai?—About 200 le; about 65 miles.

4397. Can you state the extent of the population of Soochow?—Merely by report. I never visited it.

4398. Mr. *Harcourt.*] Are the tea plantations generally held in large or small properties?—The whole of the land in China is generally held in small properties from the system of equal division of property between the children, excepting the daughters.

4399. Mr. *Spooner.*] Can you give the Committee any information about the opium trade, as to the way in which it is carried on, and its effect upon the general trade of the country?—The opium trade, as far as the English are concerned, is merely this, that vessels bring opium to Hong Kong, and it is

Capt. *G. Balfour.*

1 June 1847.

transhipped into smaller vessels and those smaller vessels carry it along the coast.

4400. Upon whose account is the opium shipped?—I conceive that it is shipped on account of merchants in this country and merchants in India. The whole trade of this country goes through India and China, and it is all mixed up with the trade of India and China.

4401. Is it consigned to any one?—I have not the information before me. I shall be happy to give it, so far as I am aware of it, if the Committee wish it, but there are other gentlemen who will be able to give it more satisfactorily.

4402. Do you know anything of the way in which it is paid for?—Opium has hitherto been paid for chiefly in Sycee silver, but the balance of trade altering in some degree, by our taking off a larger quantity of goods, especially silk, a portion of that silver, hitherto exported from China to India, has paid for the silk which we have brought to England.

4403. You mean to say that a portion of the opium which used to be paid by silver is now paid for by silk?—Except this, all transactions in China are made with reference to one standard, which is silver. Every article, opium, silk, is reduced to a rate in silver, and when the values of opium and silk have been so found, it may then be agreed to exchange these articles instead of using silver; the general course has, however, been to receive silver for opium, and to exchange this silver for silk, making each transaction distinct, and thus keeping both to a certain value in silver.

4404. Does the export which takes place from China to India in return for opium take place in silver or in goods?—There has been for many years a vast exportation of silver to India from China, which has somewhat diminished since the five ports have been opened. In the year 1843-44, there was as much as 3,703,209*l.*, or in rupees 39,500,890 value of silver exported to India from China; whereas the value of goods imported into the three presidencies of India from China averaged, from 1834-35 to 1842-43 inclusive, only, in rupees, 4,941,942; whilst the value of opium, raw cotton, and other goods exported into China from India, for the year 1842-43, amounted to, in rupees, 43,764,786, being ten times the value of imports into India from China, exclusive of silver.

4405. Dr. *Bowring.*] The Sycee silver which formerly went to India is now employed in the purchase of Chinese produce?—Yes; the balance between China and foreign states is less than it was, but there is still a deficiency of about 9,000,000 of dollars.

4406. Mr. *Spooner.*] To what do you attribute that increased export of goods and decreased export of silver of late years?—Our demand for various articles has been greater. We have imported a larger quantity of silk and a considerably greater quantity of tea, and also some sugar; but this last has only been partial, and it is not certain whether it can continue to be exported to a profit.

4407. Sir *G. Staunton.*] You found the officers of the Chinese government fairly disposed to carry out the provisions of the treaty?—Fully so.

4408. Do you think that the provisions of the treaty, as it now exists, are sufficient and satisfactory for carrying on the trade, or do you think that any further regulations or arrangements are necessary or desirable?—I conceive that the treaty, as it has been passed between England and China, is a remarkable instance of success. Our trade has increased and prospered under that treaty, the tariff is the most moderate that exists, and the Chinese have acted with good faith in fulfilling the conditions of that treaty.

4409. Do you consider the extent to which foreigners are permitted to visit the interior of the country sufficient, under the existing character of the relations with China?—With the permission of the Committee I will exhibit a map of the province of Kiangsoo (*producing the same*). This is the entrance of the Shanghai river; this is Soochow; these are all canals; the whole country is one network of canals.

4410. Dr. *Bowring.*] Would not access to Soochow be of considerable importance to our commercial interests?—I would rather see the present facilities fully used before further were sought.

4411. Is the canal system peculiar to this district?—No, you find the same thing in other parts of the country.

4412. There appears to be a prodigious number of military stations upon the map

map you have produced; can you form any estimate of the number of persons at each station?—There are 30 or 40 men at each of those stations.

4413. At what do you estimate the standing army of China?—About 700,000 men; there are differences of opinion as to the number. There is also a militia besides.

4414. Do you know what is a soldier's weekly pay?—It is composed of rations of grain and of money.

4415. Viscount *Jocelyn.*] Is the force chiefly a Tartar force?—No, chiefly Chinese.

4416. What proportion is there of Tartar force?—At the present moment not more than 60,000 men within the 18 provinces. With regard to the distances to which foreigners are permitted to go, limits are obliged to be established for our people. The question is, whether the distance which exists is sufficient for the object?

4417. Mr. *Harcourt.*] What is your opinion upon that?—My opinion is, that if a limit is necessary to be established, as far as exercise is concerned, without reference to the additional advantages of trade, which might be desired, I should say that the limits allowed are sufficient.

4418. To what circumference does it extend?—It extends to 120 le.

4419. Dr. *Bowring.*] How far have you been yourself?—I abstained from going to any distance, although the Chinese authorities recognised my right to do so.

4420. Mr. *Moffatt.*] Has any estimate been formed of the mileage of canals in China?—None.

4421. Viscount *Jocelyn.*] Is the date of the formation of the water communications at all known?—No; but they have existed many centuries.

4422. Is it supposed they were commenced prior to the present dynasty?—Very few changes have taken place under the present dynasty.

4423. Do you think that the country has been rather at a stand still the last two centuries?—As far as changes are concerned.

4424. And improvements?—I would not say improvements.

4425. Mr. *Harcourt.*] Is there any communication from village to village except by those canals?—There are roads, very narrow, but well paved.

4426. Viscount *Jocelyn.*] Not sufficient for carts?—No; goods are carried by men, or on wheelbarrows, in that part of the country.

4427. Mr. *Moffatt.*] What is the mode of traction along the canals?—Seldom by horses; generally by men.

4428. Have you any idea of the revenue of China?—The revenue has been variously estimated, for this reason, that each province being required to pay its whole expenses, the gross revenue is not fully ascertained.

4429. What is the nett revenue?—The nett revenue has been estimated according to the value of the grain, taken at from 30,000,000 to 60,000,000 of taels, that is, from 10,000,000 *l.* to 20,000,000 *l.* sterling. I mention it in this general way, because the information is not yet sufficiently perfect to enable us to speak with precision.

4430. Viscount *Jocelyn.*] Is each province expected to contribute, after paying its own expenses, to the general revenue?—At the present moment, I believe, there are not more than one or two provinces in the western part of the empire that expect supplies from the rest of the empire; all the others contribute to the general government.

4431. Is any expenditure which may go on in any particular province during a war credited to the government?—During the war a portion was taken from the other provinces. Extraordinary advantages were given to the people of the province; the sale of the button was allowed to some extent, and the gentry of the province came forward with handsome contributions.

4432. Mr. *Moffatt.*] Can you state what revenue is derived by the Chinese government from the foreign trade?—That is stated in the returns of trade; the total amount derived from the British trade at Shanghai and at Canton is about 600,000 *l.*, and I suppose the American trade is about 100,000 *l.* more.

4433. Sir *G. Staunton.*] You stated that you consider the limits granted to foreigners by the treaty as sufficient for satisfactorily carrying on the trade?—For the present, decidedly. I would recommend strongly that our arrangements should be complete in themselves, and that time should be given for

Capt. *G. Balfour.*

1 June 1847.

other arrangements to be made. Many difficulties in making new arrangements have existed, both on the part of the merchants and on the part of the Government; and I should advise as few changes to be made as possible; and that everything we have a right to demand we should firmly exact from the Chinese; and at the same time keep them to the fulfilment of the conditions. Therefore I consider that, under present circumstances, it is desirable that those limits should not be wantonly transgressed. I am very anxious that the Committee should express some opinion that at present the Government officers should be required to preserve the present limits, and that no changes should be spoken of, nor a bad feeling be created by persons having variety of opinions. I will mention a case in point which I take from a work which has been published since the gentleman returned home. He has been before this Committee, and they have found him to be a gentleman of sense and judgment.

4434. What is his name?—Mr. Smith. In his work, at page 228, I find that he speaks of having gone to a distance of about 21 miles from Ningpo, to reside for some time, and of occupying rooms in a Buddhist temple. I mention this, because he appears to be a gentleman of right feeling. At page 230, he states, "In the evening I proceeded to an out-temple, distant a few hundred "yards, where two priests were stationed. They appeared to take pleasure in "exhibiting the ugly little idols which were enshrined within the principal hall. "As I remonstrated with them, in the presence of many other persons, on their "folly in asking me to worship such senseless blocks, I proceeded to point to "the idols with my umbrella, whereupon the principal idol soon gave way to "the force with which, in my carelessness, I poked its various parts. The "whole assemblage burst into a loud laugh, on which I was emboldened to show "how little the other idols could help themselves. As I gave them a slight thrust "they trembled, tottered, and tumbled from their thrones. The people laughed "heartily, as the priests tried, for some time in vain, to make one of the "idols maintain its sitting posture, the fall having disordered its component "parts. Thinking that this liberty might put their good humour to too severe "a test, I became more serious in my manner, and spoke of the wrath of God "on those who thus dishonoured His name. The only intelligible reply which "I received was, that it was the Chinese custom to worship idols." Now I refer to that act, because this is a gentleman who has shown good discretion in other respects, and yet, in this particular point, where the feelings of the people might have been roused, and where his safety might have been endangered by such an act as this, he conducted himself in this manner. In another part, at page 196, he says, "It is easy for a European living amongst them, and acting "with but a common degree of forbearance, to overcome prejudice, and gra-"dually to win a favourable opinion for himself."

4435. Considering that this instance arises from a gentleman of highly respectable character and of general good conduct, you mention this as an evidence of the prudence of not granting unrestricted intercourse in the country?—I mention it to show the variety of opinion which exists upon the subject of freedom, and what persons will or will not do, and that, with the different opinions which exist, it is the duty of the consul to stand between both his own people and the Chinese, and to see that both parties perform their duties to each other. I hope that the Committee will not think that I mention it at all invidiously, but I have quoted from a published book.

4436. You mention it as a proof of the necessity of enforcing the present restrictions?—Requiring that the people of both nations shall observe the conditions upon which they can live in peace and harmony.

4437. Dr. *Bowring.*] You think that a greater freedom of intercourse might lead to interference with their opinions and superstitions, and so endanger the safety of Europeans among them?—Yes; if such an instance had come before me, I should have felt it my duty to have noticed it; but the Chinese people, with that good humour for which they are remarkable, bore with this; this happened at several miles distance from the place where the consul resided.

4438. Viscount *Jocelyn.*] Have you known many instances in which, owing to the conduct of British subjects in China, the trade with China has been interfered with?—I will quote from the same work an instance, from which I hope we may take warning. At page 287 Mr. Smith says, "The friendly disposition of the "people towards foreigners remained unabated, though sometimes exposed to "the

"the danger of interruption from the conduct of the crews of the English and "American vessels in the river. Shanghai is a second Liverpool in the extent "of its commerce, and in the various races of people attracted thither by gain, "who compose the lowest classes of its population. Whole streets are tenanted "by the men of Fokien, the Irishmen of China, men of ardent, impetuous, and "enterprising minds, but turbulent and irascible withal. It is vain for foreigners "to attempt any overbearing conduct towards this spirited race. A blow for a "blow, an eye for an eye, and a tooth for a tooth is their maxim of daily life. The "Chinamen generally in those more northerly cities would as soon think of en-"countering a legion as of attacking individual foreigners, whose athletic powers "of bodily strength they are apt to overrate. But the men of the Chinchew junks "have already begun to break this spell of terror. Some incipient symptoms may "be already traced of their increasing determination to resist the aggression of "foreigners. Two or three of the mercantile residents who flourished their sticks "rather incautiously over the heads of these junkmen were speedily disarmed "and put to an ignominious flight. This incautious demeanor towards the "natives on the part of the better classes of foreigners, and the occasional ex-"cesses of foreigners temporarily visiting the port, are the principal danger to "the Missionary exertions at Shanghai, and the great obstacle to the extension "of our general intercourse with the respectable Chinamen in all the consular "cities of China." These instances were not brought before me as complaints, because whenever our people were in the wrong I never heard any complaints from them, although privately I was aware of their existence. This refers to a portion of the suburbs between our location at Shanghai and the town, entirely occupied by sailors, by Fokien and Canton men.,

4439. Do you know any cases where the trade was much interfered with owing to the conduct of British subjects in China?—I know nothing of my own knowledge, because at the place where I was there was nothing of the kind.

4440. Are you aware of any cases from report?—I merely know of instances from report. I am aware, by reports, at Foochow the trade was stopped, which is attributed to the conduct of our people.

4441. Mr. *Moffatt.*] Who is the consul at Foochow?—Mr. Alcock was at that time consul.

4442. Was this stoppage of the trade attributed to the conduct or the misconduct of our people?—To their misconduct. But I have merely the same information which the Committee have before them; the papers before Parliament.

4443. Viscount *Jocelyn.*] It has been stated to the Committee that there is supposed to be a more favourable feeling on the part of the Chinese towards the Americans than towards the British; have you observed that yourself?—There is one circumstance of distinction with regard to our trade and the American trade, that our trade has increased considerably more than the American trade has; our old merchants have left China in a great degree, and many new men have gone out to China. The different mode in which our trade has been carried on has brought a great many young and inexperienced men to China from England. The American trade, on the contrary, has little changed. The same men who conducted that trade in former times still conduct it, or their assistants still conduct it; and there is a different style, and a different mode of thinking among our old merchants of China and their assistants, and those of the present day. I do not think that the same circumspection exists among the young houses as among the old houses.

4444. Dr. *Bowring.*] Have you observed a difference between the natural dispositions of the Chinese in different parts of China?—The Canton people have always been noted in China as a turbulent race; they resisted the Tartar dynasty more than any other part of China.

4445. Sir *G. Staunton.*] Has the opium trade come under your cognizance in any manner officially as consul?—The opium trade is altogether a difficulty, both to the English officers and the Chinese authorities. It is an anomalous state of things, and time only will work it out. Soon after the port was opened, a case happened of two British vessels bringing opium into port, which they transhipped into another vessel. The ships were detained, and the parties fined; but considering the question as one of great political importance, I referred it to Sir Henry Pottinger. On two other separate occasions the

Capt. *G. Balfour.*

1 June 1847.

Chinese appealed to me on the subject of the opium vessels usually anchored without the limits of the port. One, an opium vessel, which had been lying out of the port six weeks, selling opium, entered the port and disposed of the legal cargo which she had on board, having disposed of the opium outside. On that occasion the Chinese officers manifested considerable anxiety and excitement. On a subsequent occasion, the opium ships, which had lain at a considerable distance outside the port, stood in too close, and considerable excitement was then shown; the Chinese officers insisted that the ships should go out. An American ship having, however, set the example of entering, I said that the American ship should set the example of going out; and that being done, all the vessels moved to the distance the Chinese officers were content with.

4446. Dr. *Bowring.*] Was the fact of having opium on board alleged by the Chinese authorities as the reason for their interference?—I never pressed them on the point, whether it was officially or privately spoken of, but they knew as well as possible that the vessels with opium were outside.

4447. Sir *G. Staunton.*] What was the course of conduct you required the ships to pursue?—That they should go to a distance where the Chinese officers would allow them to remain quietly; my mode of interfering was not official. I communicated with the influential parties, and then I made known that the American vessel would move, and that the British vessels should also move.

4448. You did not consider it your duty to sanction or recognize the opium trade in any manner?—The opium trade is contraband by the laws of China. The British authorities cannot recognize that which is inimical to the feelings of the people of China.

4449. Was this application to you intended with a view to enforce the prohibitions?—My own impression is, that they wished to allow the thing to rest in the anomalous state in which both governments appear to wish it to rest in.

4450. But those were excepted cases?—Those were excepted cases; the rule is, for neither government to interfere.

4451. Dr. *Bowring.*] There is a species of tacit recognition of the necessity of the trade?—A tacit recognition of the difficulty of dealing with the question.

4452. Sir *G. Staunton.*] Do you entertain any expectation of the opium trade being formally legalized by the emperor?—Not by the present emperor.

4453. Dr. *Bowring.*] Do you think it would be desirable for the general interests of the trade?—As far as the revenue of India is concerned the loss would be immense; also so far as the profit derived from English capital is concerned; for I conceive that if the opium were legalized, China itself would grow it.

4454. Sir *G. Staunton.*] This anomalous trade is more profitable, as regards the Bengal opium, than a legalized trade would be?—Decidedly, if profit is the question under investigation, the anomalous state in which it is even now in China is more profitable.

4455. Dr. *Bowring.*] It has been stated to this Committee, that the poppy is grown in China?—Yes, but it is contraband, and it is not grown to that extent to admit of opium being brought into general use; it is cultivated, according to report, in Yunan and in Fokien, and I have no doubt in other parts of the empire; in all those parts where more freedom exists from interference of the government officers.

4456. Is that clandestine cultivation to any extent?—Yes; I believe in the present state of things it is used for mixing with the imported opium.

4457. Would it not be a more satisfactory mode of carrying on the trade, if opium could be imported at a moderate duty, like cotton, and other articles of foreign produce, instead of the present anomalous mode?—As far as the government is concerned, everything that removes difficulties is beneficial for the interests of Great Britain.

4458. Are you aware of the conditions under which opium is imported into the Island of Java?—I believe it is like all other monopolies of the Dutch government. I remember hearing of it, particularly at Singapore; it is a monopoly. I believe the government make a monopoly of it, and contract with the Singapore merchants to supply a certain quantity of opium at certain fixed rates, and the parties who take the monopoly on the island of Java receive this opium at higher rates, and then retail it to the opium smokers.

4459. Sir

4459. Sir *G. Staunton.*] Was much trade carried on in the Island of Chusan while it was in our possession?—My own information is, that there was some trade till Shanghai was opened. It is stated by the late Mr. Thom, the consul at Ningpo, in one of his reports, that this trade ceased after the port of Shanghai was opened.

4460. Did it appear to be an extensive trade?—It ceased entirely after Shanghai was opened.

4461. Commercially speaking, do you consider that we have sustained any material loss by the restoration of Chusan?—With the ports of Shanghai and Ningpo open, I decidedly think that the Chinese merchants never would have resorted to Chusan; they would have preferred coming to ports upon the main land.

4462. You do not consider that the restoration of Chusan has been a great sacrifice?—In a commercial point of view, decidedly not, with the ports open.

4463. Can you state what is the reason that there is so little trade at Ningpo?—Soo-Chow is one of the great marts in China for distributing goods throughout the empire. There is water communication to Soo-Chow from Shanghai, which may be looked on, although a large town in itself, as the sea-port to Soo-Chow. From Soo-Chow the fine inland water communication admits of goods being conveyed by water to ten provinces of the empire; this advantage has therefore given Shanghai the immediate advance in trade over Ningpo; but I am inclined to express an opinion, that, as regards the purchase of green and black teas, merchants going to that place with silver would be able to obtain their teas somewhat cheaper than at Shanghai. There exist greater facilities for the black teas reaching Ningpo than Shanghai, and consequently at less cost.

4464. The disposition of the government, and of the people at Ningpo, is equally favourable to foreigners?—Yes.

4465. Dr. *Bowring.*] Do you think that Shanghai is necessarily destined to be the great emporium of the China trade?—As far as we send goods in return for the teas Shanghai will be so, because the demand for our manufactures is so great at Soo-Chow, and for distribution to the provinces.

4466. Is there any alteration in the coasting trade of Shanghai since it has become a depôt for British goods?—When the ports in the north were first opened there was a coasting trade of some extent, under the flags of England and America, carried on between Hong Kong, Chusan, and Shanghai, in carrying British manufactures from Hong Kong to the north, and Chinese produce from the north to Hong Kong; but this has, in a great degree, ceased, as vessels have cleared out direct between England and Shanghai. An occasional carrying trade exists when the state of the markets at Shanghai and Canton renders it advantageous for the merchants to send the manufactures imported direct from England to either of those ports to a more advantageous market at the other, as was formerly done with goods sent from Canton to Shanghai, and as has latterly been done from Shanghai to Canton.

4467. Is there any considerable trade between Shanghai and the Japan Islands, and with the Philippine Islands?—The trade between China and Japan is carried on from Chapoo, a seaport on the north side of the Gulf of Hang-chow, and distant south from Shanghai 30 miles. The number of Chinese junks entitled to trade with Japan are 12 in number, but they have been reduced to six in number for many years past. Not more than two Spanish vessels a year have as yet passed between Manilla and Shanghai, but there is a considerable quantity of junk trade.

4468. Is there any considerable trade between Australia and Shanghai?—One or two merchant vessels have commenced. I believe that several merchants connected with the Australian trade have made arrangements for supplying teas direct from Shanghai.

4469. What do the Australian vessels bring?—They brought very small articles indeed, sandal wood, beche de mar, timber, and some sulphur collected in the islands in the Pacific Ocean, but the trade was carried on chiefly by bills, with which they came up supplied.

4470. Is there any trade between Shanghai and the islands of the Pacific?—There is only the trade of those vessels; they have generally touched at some of the islands in the Pacific Ocean.

Capt. *G. Balfour.*

1 June 1847.

4471. Mr. *Harcourt.*] Is not the intercourse of Shanghai with Hong Kong very limited?—There are the vessels passing up with opium.

4472. Is it much interfered with by the certificate system?—No; the Chinese custom-house arrangements are all simple and good, there is no difficulty in that respect. At first starting there were a number of objectionable rules made, but after a little experience, and after quietly causing them to see that these restrictions were not necessary, they gradually fell into an excellent system of conducting business.

4473. Viscount *Jocelyn.*] What is your own view as to the advantage of retaining Chusan?—In a commercial point of view I see no advantage so long as the five ports are open.

4474. There was a cessation of the trade there when Shanghai was thrown open?—Yes; independently of that, no Chinese produce of any consideration ever was exported from Chusan; no teas and no silk.

4475. At that period where were the teas grown in that country shipped?—They were brought to Canton; the great mass of the teas are still brought to Canton for exportation.

4476. You mean even when Chusan was in our possession?—Yes; there was a considerable quantity of our manufactures sold there; but all our supplies of black tea and green tea are obtained from the same places as before the war.

4477. For what reason do you imagine that the Chinese are particularly interested in retaining Chusan?—They describe it as the throat of the empire; it is at the entrance to the Yang-tse-Keang.

4478. Mr. *Moffatt.*] Consequently in a national point of view it is far more important for us to have Chusan than for us to have Hong Kong?—If it is necessary for England to stand out against China, and to suppose that nothing but terror would keep it in order, I should say that Chusan was the most important point; but so long as the Chinese fulfil the conditions, and the ports are open, and we could seize Chusan at any moment, I think it is as well not to have it in our possession.

4479. Viscount *Jocelyn.*] You believe that it is always in our power to take Chusan?—Unless the Chinese soldiers and sailors became much more effective.

4480. How far do you think the obtaining Hong Kong has been advantageous to the trade with China?—I fear very much that Hong Kong will not be a place of great trade. The merchants differ in opinion; but they almost all have expressed an opinion that Hong Kong is capable of being a place of trade; I should certainly wish to see it placed in a position so as to give it importance in a political point of view. It is necessary that we should have some place where the chief British authority in China should be resident; and it is important that he should be placed in an independent and in a high position, that he should have a place to which he can retire, and where his influence will check aggressions on the part of the Chinese, and at the same time give him a secure and satisfactory residence.

4481. Do you think it would be of any advantage if the trade could be removed from Canton to Hong Kong?—I do not think it possible to remove the trade in teas and silk from Canton to Hong Kong. My opinion is opposed to that of many of the merchants upon the subject, but my opinion is strong that Hong Kong will not be a place of great trade.

4482. Sir *G. Staunton.*] Are you aware of any considerable and commodious place of trade north of Shanghai, which it would be desirable to open to British commerce?—After the experience of Ningpo having as yet failed, and Foochow also having as yet failed, and even Amoy not having fully answered our expectations, I should hesitate in giving an opinion as to any other port in China.

4483. But geographically and commercially speaking, are you aware of any particular port north of Shanghai which is particularly desirable for us to possess?—There is none that we can say, with certainty, would be advantageous to our trade.

4484. Are you aware of the nature of the Russian establishment at Peking?—I hardly know more than what every member of the Committee has access to. The best account we have of that establishment is from Timkowski.

4485. Have you any reason to believe that it has enlarged since that time?—I do not think it has. From all the information obtained from the Chinese officers,

officers, who spoke of it in a quiet and unimportant way, I was led to suppose that the establishment was little more than a college. Capt. *G. Balfour.* 1 June 1847.

4486. And therefore, nationally speaking, it is insignificant?—Yes.

4487. You would see no advantage in our possessing an establishment under similar limits in Peking?—I should be sorry to see foreign powers having establishments at Peking. I think it would be a place of nothing but intrigue. We do not require it for our commerce.

4488. Dr. *Bowring.*] Do you know whether the report made by Father Hyacinth, the head of the Russian college in China, had reached China from Russia?—The few papers that have been published by Father Hyacinth have appeared to me very unimportant. They appeared to be nothing but what any Englishman going to China could easily obtain.

4489. Is not great caution used by the Russians to prevent information being given to other nations of what they have obtained?—The imputation is, that either they have obtained none of any importance, or that they have carefully concealed it.

4490. Have you heard it stated, that in order to prevent communications to persons of other nations, no individual has ever been sent to Peking speaking any other language than the Russ?—That is quite in accordance with the reported system of the Russian empire, but I am not aware of the fact.

4491. Sir *G. Staunton.*] You do not understand that the head of the Russian establishment at Peking has any official or political character?—I never understood so. If he has it is very unimportant, the whole arrangements connected with the Russians being conducted at Kiakta, similar to what the Chinese have now established with reference to foreign trade on the sea coast, that is to say, they have appointed a minister of the five ports, to whom all questions relating to foreign trade go, as previously done in establishing a minister to superintend the Russian trade.

4492. Dr. *Bowring.*] Have you ever heard that the Russian minister has any access to the Chinese Court?—I never heard of it; they speak of him as living very quietly and very insignificantly. I should doubt whether he had access to the emperor.

4493. You resided some time at Canton?—Nearly eight months.

4494. Considerable complaints have been made that the treaty of Nankin has not been fully and fairly fulfilled with respect to the trade at Canton; are you aware whether those complaints are well-founded?—I am not aware of any complaints with regard to mere trade; the only complaints which I have heard are with respect to the gates of the city not being opened, also to liberty to go about, and ground for residences and warehouses.

4495. Do you attribute that in any degree to the unwillingness of the Chinese government, or do you think it is entirely owing to the uncontrollable temper of the people?—As far as my information goes, it appears to me that the Chinese government have avowed a desire to act up to the treaty, and to give access to the city; I only speak from what I saw myself when Sir Henry Pottinger returned from the north. There never was any attempt to deny our right to have access to the city. There was a distinct recognition from the emperor of our right to it, obtained by Sir John Davis.

4496. Have any limits been granted by the government authorities of Canton similar to those granted at Shanghai?—I am not aware that any fixed boundaries have been established; in fact, the fears of danger are sufficient to keep them within limits.

4497. They have not ascertained how far they may go, by the authority of the government?—I am not aware of that; I have seen nothing official upon the subject.

4498. Another complaint as to the trade at Canton is, that no land is assigned to them for building warehouses, or places for stowing goods, as is at Shanghai. Do you know whether any negotiation has taken place upon that subject?—Negotiations were in progress. It was well considered by Sir Henry Pottinger; but there were many difficulties connected therewith. Canton is a most populous place; every portion of it inhabited; and it requires great caution in procuring places, and great expense.

4499. It appears clearly, however, that the treaty is not fulfilled in the same degree at Canton as it is at Shanghai?—It is a different question whether the

Capt. *G. Balfour.*

1 June 1847.

Chinese government are bound to do more. They have always avowed that the English merchants might, if they pleased, buy warehouses, and I believe some have rented warehouses; but the chief obstacle is the price, which is very high.

4500. You obtained an assignment of nearly 75 acres, at Shanghai, for the convenience of the foreign trade?—Yes. I selected a position which was very advantageous, but which was partly unoccupied. It was not so densely inhabited as Canton is.

4501. But no assignment of that nature has been made at Canton?—A place has been set apart for the factories.

4502. To the extent only of what was enjoyed under the Company in former times; but there has been no increase?—No, rather the reverse.

4503. There has been a complaint that great inconvenience has resulted, under the circumstances of the increase in the English community, from their being restricted to the same narrow limits?—I have no doubt that the complaint is well-founded; but it is a question of great delicacy. Under certain arrangements I still think that conveniences for warehousing goods can be obtained at Canton; but it requires particular care and particular negotiation. It requires decided and firm conduct on the part of the Government officers to get all the advantages we are entitled to; but I have no hesitation in believing that it will be done; there are great difficulties to overcome.

4504. You have been some time at Hong Kong?—I was at Hong Kong for several months prior to August 1841, again for some time between December 1842 and October 1843, and finally for a short period in October 1846.

4505. Viscount *Jocelyn.*] The Committee have had evidence of the necessity of an armed vessel opposite the factories at Canton; are you of opinion that that is necessary for the protection of the trade?—I am aware of the reference which has been made upon that point; I observe that the consul at Canton has given an opinion adverse to stationing an armed steamer off Canton; I confess that my own inclination is rather to require the Chinese to give that protection to our people which they are bound to give; it is by far the safest course for Great Britain to have it so given; and the Chinese can give it in their own way far more efficiently than we can. I think that any measure which we might view as offensive to the Chinese ought to be avoided till, from experience, we find that the Chinese cannot or will not give the required protection.

4506. Do you believe that that measure would be offensive to the Chinese government?—Anything of a threatening or aggressive nature, such as an armed steamer off Canton, must necessarily be so felt; but I do not admit that any right exists on the part of the Chinese to prevent our vessels anchoring off Canton, or of proceeding to that anchorage by any of the known practicable channels of the Canton River.

4507. Do you think it is possible that it might have another effect, namely, that it might give encouragement to those of our people who would not try proper means of forming friendly dealings with the Chinese, and were careless of their conduct towards the natives?—I think if the consul possessed fuller powers to punish, the knowledge thereof would deter many persons from committing themselves under the presumption that they would be allowed to act with impunity by our Government. I do not think that the punishments the consuls can inflict are sufficient; that is an opinion different from that held by many merchants, who think that limitations to the power of the consuls ought to exist.

4508. Do you mean the power of forcing individuals to leave the country?—To leave the country; also the power of fining, the power of taking heavy bail, of imprisonment, and of sending offenders to the court at Hong Kong to be there tried.

4509. Do not you think that the effect of the reversal of a sentence is very injurious to our authority?—Of course the reversal of any act by the chief British authority in China is most detrimental to our interests; it must weaken our influence with the Chinese government.

4510. Sir *G. Staunton.*] With respect to the opium farm at Hong Kong and the registration system; do you concur in the opinions which have been given, of their unfavourable effect upon the trade and the population of Hong Kong?—Looking upon Hong Kong, as I do, merely in a political point of view,

view, as the place where the direction of our affairs in China should exist, and seeing the discontent and injury to these affairs which the dissatisfaction at the farming and registration have given rise to, and considering the mistake the merchants made in 1841, in paying as they did, partly indeed from necessity, but partly also under expectations not yet realized, such extravagant prices for lots of land on a barren and uninhabited island, I must say I should recommend that all causes of discontent be at once removed, and that in future all arrangements connected with this island should be treated as mere matters of police, and not of revenue.

4511. Therefore you think that the opium farm in Hong Kong should be abolished?—I should wish that everything which might injuriously affect Hong Kong as the centre of our political relations with China, should be entirely abolished; that the serious defect of having our affairs in China controlled in England by two separate departments, viz. the Foreign Office controlling our affairs at the five ports, and the Colonial Office those of Hong Kong, be at once remedied, and that all our arrangements about the island of Hong Kong should be kept subordinate to the far more important considerations connected with our trade with China; that all the officers required for the island of Hong Kong should be equally available for the duties at the five ports, and that the whole of the service in China should be formed into one general gradation service of different ranks, but all rising by seniority and merit, one important qualification being a knowledge of the Chinese language.

4512. Do you think that, considering the insubordinate character of part of the population of Hong Kong, the registration system could be safely dispensed with?—I look upon the registration simply as a police act. I am convinced that if the merchants and respectable part of the residents at Hong Kong would take a responsible share with the Government officers in the municipal administration of the island, they would exercise a useful check over the measures required for the good order of the island; and then various measures of responsibility could be rightly pressed on the Chinese themselves. There is a difference of opinion as to the mode in which this supervision should be exercised, whether by the merchants themselves or by the Government officers; but my opinion is, that the latter should execute the measures which the former, in communication with the Government, should devise. I must state that I was surprised to find the improvements which had taken place at Hong Kong in the police administration, when I passed through Hong Kong, in last October, that is, between the time I left it in 1843 and my return in 1846. Of the two gentlemen at the head of the police during that period, one whom I have known since my arrival in China, Major Caine, is a very efficient officer, of great distinction, and has been long entrusted, both in India and China, with very confidential employments; the other, Mr. Hillier, whom I have also known for some time, is a zealous officer, and has well qualified himself for the performance of his police duties by acquiring the Chinese language.

4513. It has been stated that this registration system is very obnoxious to the feelings of the Chinese, and drives away persons of a more respectable character?—I have no experience of it.

4514. You have no decided opinion whether it would be better to abandon that system or not?—I think that under any circumstances some kind of check must exist; whether that of registration is the most advantageous or not I cannot say, but the law of England must certainly be changed to admit of the Chinese system being introduced, which, though not in accordance with our English practice, is nevertheless well adapted for the habits and feelings of the Chinese portion of the population; and if the municipal system of China, of forming wards, and making one person answerable for another; and also if local government were established at Hong Kong, the same end would perhaps be gained as by the registration. But persons differ in opinion as to the mode in which executive measures should be carried out. The thing to be done in Hong Kong is to give protection to the orderly and well-behaved residents there, particularly to our few merchants, with security to their property, surrounded as they are by as great a mass of disorderly Chinese as could be collected in any one place.

4515. For which a strict police is necessary?—Essentially necessary.

4516. Mr. *Moffatt.*] Are you to be understood to recommend, that powers of so arbitrary a character as those which you have indicated, in a former an-

Capt. *G. Balfour.*

1 June 1847.

swer, should be placed in the hands of the consuls residing at the five ports in China?—I never found any disadvantage from intrusting officers with great powers. It is too often owing to a want of power that Government officers, desirous of doing their duty properly, are so often driven to indirect means, objectionable and annoying in themselves, for the efficient discharge of their duty. So far from officers of Government being anxious to use powers entrusted to them, they are, I think, rather too anxious to escape from the responsibility which the exercise of authority necessarily entails on them. With great powers great responsibility necessarily exists; but with properly selected officers, men of character and men of some capacity, and with an efficient system of supervision on the part of the superintendent of trade, I do not think that anything injurious to individuals could arise from giving such powers. At all events, the injury that would arise from the abuse of such powers would be little in comparison with the great evil which the want of such powers would occasion the mass of merchants whose interest it is to see that the authority of England is properly upheld in China.

*Alexander Matheson*, Esq., called in; and further Examined.

*A. Matheson*, Esq.

4517. Mr. *Harcourt.*] YOU have been a good deal connected with the trade of China, especially the opium trade?—Since 1826.

4518. When did you leave China?—In March 1846.

4519. Having been resident, where?—Chiefly at Canton, and also at Macao for three years, and then at Hong Kong.

4520. Mr. *Spooner.*] Can you give the Committee any information as to the manner in which the opium trade is carried on, particularly as to the way in which payments are made for the opium, and what effect it has upon the general trade?—The opium trade is always, I believe, a cash trade, with very few exceptions; the exceptions are so few that it may be called a cash trade; it is always paid for before the opium is delivered.

4521. What effect has it upon the general trade?—The effect it has upon the general trade is, that it yields a circulating medium by which it is carried on; it is the only article for which you get silver in China, and there are several articles of China produce which can only be purchased with money; silk, for instance, and the finer descriptions of tea; the Chinese will not give them in barter for British manufactures; there is too great a competition for them.

4522. Viscount *Jocelyn.*] Do they ever exchange opium for tea?—It is a very rare occurrence. Sometimes, when the price of opium is very low, the parties endeavour to get rid of it by bartering it for tea and other articles; but it is not a general thing.

4523. Mr. *Spooner.*] Where does the silver go to from China by which the opium is paid for?—A considerable part of it remains in China; frequently it is shipped to India, but the whole of it is never shipped to India. When silver is at a high price, as it is just now, it remains in China, and the opium merchants purchase bills on India and on England, which are remitted to India in return for opium; they give a better exchange than silver would give.

4524. How long has it been the case that silver has not gone out of China in payment for opium?—From the time that I first went to China, up to the war, a certain quantity of silver was sent, but not to the enormous extent that it was afterwards. At that time, Sycee silver was at a premium of about five per cent. upon the average. During the war, there was an extraordinary abundance of Sycee silver, and I have known it as low as five per cent. discount. While that was the case, of course as much as we could obtain from the Chinese was shipped off for India, because it gave a far better rate of exchange than any bills would give. During the last two years, it has again risen to a premium; and I see by the last Chinese price current that it is at a premium of 10 per cent. While it is at such a high premium as that, none of it will leave China; it would be a loss to the merchants to send it away from China.

4525. During the time that silver was at a discount, did any large amount of it come by way of remittance to England, in return for manufactures?—A great deal came home on Government account; the six millions received from China came home in Sycee silver.

4526. Did

4526. Did our merchants get any of it in return for their goods?—Very little for manufactures. We have sent silver to England as a remittance at times, when we could not get bills at a better rate than 4*s.* 3*d.* the dollar.

4527. Then silver did, in point of fact, make the payment for the goods, because you drew against that silver to pay for the goods?—It might have been so, but in the case I refer to, it was not so; we sent home silver on account of people at Bombay as returns for opium, and they drew from Bombay upon England.

4528. The Committee have had a great deal of evidence as to the great difficulty in the China trade of getting returns for British manufactures sent out; can you account for that difficulty of getting returns during the time when you say that the Sycee silver was so plentiful in China?—At that time silver might have been bought for dollars, and sent home if the merchants chose; I am not aware that any was sent.

4529. Can you account for it, why such a transaction did not take place?—In this way, that nearly all the goods sent out from England were bartered for produce, for tea chiefly. There was such a quantity of goods sent forward to China, that the Chinese would not give money for them so long as they could get them in exchange for their tea, which they could supply in any quantity.

4530. By the evidence before the Committee, it has appeared that the profit upon the goods exported from this country to China was completely swallowed up by the loss occasioned by the importation of tea; can you explain why, when there was an article like Sycee silver that could come here at a profit, the merchants took tea that came here at a loss?—For several years past the agents in China have been expecting a reduction in the duty on tea; a great deal of tea has been sent home, speculating on the prospect of a reduction of duty, which probably would not have been sent otherwise.

4531. Do you think that a speculation upon a probable reduction of the duty on tea would lead them to encounter a positive loss when they might have made a positive profit?—Not to a very great extent; but I know that parties in China did ship upon that prospect.

4532. Viscount *Jocelyn.*] At the same time that that was going on, were large shipments made to India of silver during the war?—Very large; we have repeatedly sent away vessels ourselves with nearly a million of dollars.

4533. Dr. *Bowring.*] Independently of the expectation of a reduction of the duty, was not there an anticipation of a greatly increased demand for tea in this country?—There was.

4534. Do you know whether there are many parts of China in which the Sycee silver is prepared?—That is a subject which I do not know much about. In Canton dollars are frequently melted down into Sycee silver, when Sycee silver is at a high premium.

4535. Do you imagine that a very considerable quantity of silver imported into China, in payment of exported goods, is made into Sycee silver for Chinese circulation?—Frequently, when the Sycee silver is at a high premium.

4536. Do Spanish dollars circulate generally in the interior of China?—They do.

4537. Mr. *Moffatt.*] But of late years it has been exceedingly difficult to obtain silver in China?—I hear by the last accounts that it is becoming more plentiful again.

4538. Mr. *Spooner.*] Was yours an agency house?—Yes.

4539. There is a commission charged upon all goods that come back in barter?—There is.

4540. Is there any commission charged upon remittances in Sycee silver?—Yes; upon bullion remittances the commission is 1 per cent.

4541. What was the charge upon the remittance of goods in barter?—There is more responsibility in that; 2½ or 2 per cent.

4542. It is a commission of 1 per cent. in the one case, and 2½ per cent. in the other?—Yes.

4543. Mr. *Moffatt.*] Was Sycee silver cheap at the time when you were sending home tea at a loss to the importer?—Very cheap; it was at a considerable discount for several years.

4544. Dr. *Bowring.*] Is there any gold circulation in China?—Very trifling. I beg to observe with reference to sending silver to England, that China goods

*A. Matheson*, Esq.

1 June 1847.

taken in barter for bale goods would have to be resold by the merchant before he could convert them into Sycee silver. I defy any merchant in China to sell British manufactures for Sycee silver to any extent. It would be impossible for an agency house in China to sell generally British manufactures directly in barter for Sycee silver; he would have to take China goods in barter for bale goods, and then to sell those goods again to any party who chose to speculate in them for dollars, and those dollars he would have to convert into Sycee silver; so that he would gain three times a commission upon all those different transactions.

4545. Viscount *Jocelyn.*] But in the opium trade, the opium was exchanged direct for silver; then why was not the silver remitted home direct?—The parties owning the opium were not in England but in India.

4546. Mr. *Moffatt.*] Is it your impression that the British trade in opium has caused a general extension of our trade with China?—I am convinced of it. When the trade in British manufactures commenced upon the east coast they could only be sold in very small quantities. Unless the vessels sent with the piece goods had contained opium, it is impossible that they could have paid their expenses.

4547. So that the opium was the precursor of the general trade which now exists?—Yes; unless the opium trade existed we should not have anything like the trade in piece goods which we have now. The trade would not bear the expense of carrying it on.

4548. Are you aware whether there is any considerable quantity of opium cultivated in China?—I am not aware to what extent it is cultivated.

4549. Have you ever heard of any duty being raised upon the opium cultivated in China?—No; I believe it is contraband.

4550. Dr. *Bowring.*] Have you seen it used by mandarins and persons of the aristocratic classes?—We have not much access to the aristocratic classes in China, but I have seen it used by the Hong merchants, who are considered gentlemen in China.

4551. Mr. *Harcourt.*] Do you think that the opium trade is likely to continue upon its present footing?—I think in the course of time it will be legalized.

4552. Dr. *Bowring.*] Do you think that its being legalized would lead to any extension of the demand?—I think it would.

4553. Mr. *Harcourt.*] Do you think it would be supplied in China?—To some extent; but I think that the demand for foreign opium would increase if it were legalized.

4554. Dr. *Bowring.*] Is not the value of labour in the opium producing countries of India lower than in China?—I believe so; the value of labour is very low indeed in India. The opium now imported into China could be produced in India for about one-third of what it costs at the sales at Calcutta.

4555. What have been the fluctuations as regards the price of Turkey opium?—By the last accounts it appears that opium was worth about 300 dollars a pekul. I have known it sell for 600 and 500.

4556. Mr. *Moffatt.*] What is the Bengal opium worth?—By the last accounts about 600 dollars a chest.

4557. Dr. *Bowring.*] Has not there been some improvement in the quality of Indian opium which does not apply to that of Turkey?—The Bengal opium is of a quality more to be depended upon than any other opium whatever.

4558. Is any opium imported into China from the Gulf of Arabia by overland conveyance?—Yes, from Smyrna.

4559. If the communication was facilitated by the canal now projected by the Isthmus of Suez, do you imagine that there would be a considerable increase of demand for Turkey opium in China?—It would increase in the same proportion with other opium.

4560. Is the opium imported from Turkey mostly imported on English account?—Almost entirely. A Greek house has imported a good deal of late from Smyrna.

4561. Mr. *Harcourt.*] The cause of the high price of opium in India is, that it is a government monopoly?—It is.

4562. Dr. *Bowring.*] Have you considered what would be the effect of breaking up the government monopoly of opium in India as bearing upon the demand in China?—I should be sorry to see the monopoly broken up in Bengal; we should never know the quality of the opium we got. We should be buying rubbish

rubbish as we do now in Bombay sometimes. There was a monopoly formerly in Bombay in opium, and during that time the quality was far superior. But in consequence of the quality having fallen off the trade has fallen off considerably.

4563. You think that the superintendence of the government authorities has kept up a superior quality?—Yes, and it is most desirable that that should be done.

4564. *Harcourt.*] So that in that respect at least you do not think free trade the best system?—Not in that instance.

4565. Mr. *Moffatt.*] Simply because you cannot depend upon the producers?—You cannot depend upon the quality.

4566. Dr. *Bowring.*] Would not the effect of free trade in opium be like the effect of free trade in other articles, that houses getting a reputation for a superior article would obtain a superior price?—It depends upon the natives; and you could not depend upon the honesty of the natives.

4567. Would not individual producers have the same motives for supplying a superior quality that the government has?—I cannot say. The experiment at Bombay has not at all succeeded.

Lieut.-Colonel *Malcolm*, called in; and Examined.



4568. *Chairman.*] WHAT position did you occupy during the late war in China and the negotiations which brought it to a conclusion?—I was secretary of legation; I went out with Sir Henry Pottinger, in 1841; I remained there till the treaty was made in 1842; and I was there for five months in 1843 as colonial secretary and secretary of legation.

4569. During that time had you an opportunity of seeing the whole course of the negotiations which led to the treaty?—Yes.

4570. Will you state what led to the selection of Hong Kong as the place to be stipulated for as a possession of the British Crown? — In the first instance it was chosen by Captain Elliott from the fineness of the harbour, and from his thinking it a very eligible station for ships to refit at.

4571. Mr. *Moffatt.*] That was prior to our fleet going northwards?—Yes, the second time.

4572. Before we had any idea of an extension of trade northwards?—Yes, before the war was terminated.

4573. Sir *G. Staunton.*] If you had not been, in some degree, restricted by the previous selection of Captain Elliott, do you think you would have chosen a different spot, or had Hong Kong local advantages independently of its having been selected by Captain Elliott?—I should say certainly.

4574. It was not merely because it had been previously selected by Captain Elliott that it was chosen by Sir Henry Pottinger?—It was the best situation near Canton.

4575. *Chairman.*] Was it looked upon merely in a commercial light, or in a political point of view?—In a political point of view, to protect our merchants in the time of any revolution, as a place where our vessels could go and refit, and a place where our flag could be hoisted.

4576. It has been asserted that it was the object of Sir Henry Pottinger to supersede Canton, to a great extent, as a commercial post, and that with that view he did not provide sufficiently for the convenient accommodation of English merchants at Canton?—That is not the case; Canton was treated like all other places by the treaty. If merchants had chosen to rent land or hire factories they could have done so, but one difficulty at Canton was the great expense of land; it was like purchasing the most valuable part of London; they must pay heavily for accommodation. Sir Henry never threw the slightest obstacle in the way; there were negotiations going on upon that point when I left. A great dispute arose after I left the country, but as long as I was there Sir Henry never expressed the slightest wish to interfere; in fact, he did everything in his power for the merchants at Canton.

4577. Dr. *Bowring.*] From your longer experience now, do you think that Hong Kong was judiciously chosen?—At present I have merely spoken of Hong Kong as being the best situation in the Canton waters. With reference to Sir Henry Pottinger having favoured it in preference to Canton, I should say decidedly that he did not. The great advantage of having a possession in the south

Lieut.-Colonel *Malcolm.*

1 June 1847.

was, that the people of Canton being a turbulent race, the property of the English was in more danger at Canton than at any of the places to the northward.

4578. With reference to our general relations with China, do you think that Hong Kong was well chosen as the seat of British power?—With reference to the difference between Hong Kong and Chusan, I have no hesitation in saying that Hong Kong is far preferable to Chusan.

4579. *Chairman.*] Should we have been able to get Chusan if we had preferred it?—I have great doubts whether the treaty would have been entered into with the same good faith by the Emperor if we had demanded Chusan. There would have been great difficulties thrown in the way of making peace at the time. For the great thing that we had to contend with was, the war party that there was at Pekin, who were doing everything they could to oppose the commissioners. They said that we wanted to obtain territory, only to be the commencement of our doing the same as we had done in India.

4580. In choosing Hong Kong, we evidently were not seeking a territorial hold upon China?—No; we only wanted to have a place where our people could have refuge, where our ships could refit, and where persons in authority could live under the British flag, to save them from being insulted as our officers had been before; as Lord Napier and Captain Elliott had been; whereas if you have an insular position you are protected; you have your foot upon English ground.

4581. Dr. *Bowring.*] Then every object connected with commerce you think may be carried out by our possession of Hong Kong?—Decidedly better than at Chusan. The Governor of Hong Kong I look upon as our ambassador in China; I conceive his duties are to look after the interests of his own nation, to protect the trade, and to keep up the respectability of England, and the high position which she holds. This can only be done by an efficient establishment, under the protection of the British flag.

4582. *Chairman.*] You look upon commercial advantages rather as incidental to the possession of Hong Kong, than as the primary object?—Certainly; but I think that if the political objects were well carried out, the natural result would be, that there would be advantages to our commerce in the island.

4583. Dr. *Bowring.*] Do you think that there would have been greater resistance on the part of the Chinese, if we had sought to have established ourselves nearer the Chinese capital?—Certainly; more especially if we had demanded Chusan.

4584. *Chairman.*] At Chusan we should have had to displace a portion of the regular Chinese government, should we not?—Yes, we should have caused much degradation to the government of China had we taken possession of Chusan, as it is one of the territorial divisions of the empire; and besides reducing a great many government officers, we should have required a large number of the Chinese people to change their allegiance.

4585. Mr. *Moffatt.*] What is the population at Chusan?—About 300,000.

4586. What was the population of Hong Kong?—About 5,000 when we took possession.

4587. *Chairman.*] In a political point of view you look upon Hong Kong as especially important?—Yes.

4588. And for the general protection of the trade as well?—Yes.

4589. Mr. *Moffatt.*] Would not Chusan be far more important, in a political point of view, than Hong Kong?—I think it would be a perpetual eye-sore to the Chinese government, and a source of constant heart-burning and ill-feeling between the two governments.

3590. *Chairman.*] If we want extraordinary protection, is not it rather in the neighbourhood of Canton than in the neighbourhood of Shanghai?—Yes; at Shanghai the people are well disposed to us; but at Canton they are quite the reverse.

3591. And there is a larger population collected together?—Yes.

4592. Sir *G. Staunton.*] With respect to Canton, Chusan would be no protection whatever?—None whatever. Our principal authority must reside near Canton for many years.

4593. Where English capital has been invested?—Yes; the principal part of the trade is still there.

4594. Dr. *Bowring.*] You think that a position further north would have been

been dearly purchased by the jealousies and annoyances that would have been excited in the minds of the Chinese?—Certainly.

4595. *Chairman.*] Is not Hong Kong a point of departure for everything passing from China to England?—Generally.

4596. Have you observed the system of police established in the island generally?—When I was at Hong Kong in 1843, there were a great many gang robberies committed, so much so that soldiers were obliged to be stationed in all directions around Victoria. At that time great anxiety was expressed for the establishment of a police. I was instructed by Sir Henry Pottinger to make every inquiry on my arrival in England, to see if the new police system in London could be in any way introduced there, as the people they were obliged to use for that duty in Hong Kong were quite unacquainted with their duties, and Sir Henry proposed that the expenses of it should be borne by a rate. There were Chinese, Indians, and soldiers employed for the police; the soldiers and the Indians were unacquainted with the language, and consequently they very often found great difficulties in carrying on their duties; and the Chinese being picked up from the refuse of the people who came over there, it was very difficult to believe what they said; so that the police was extremely inefficient; soldiers were obliged to be employed in every direction to protect the people. Since that I have heard, that by the greater knowledge of the language on the part of the officers and the people, it is very much improved.

4597. Sir *G. Staunton.*] Was the opium farm established when you were there?—It was not.

4598. *Chairman.*] It was no part of the original scheme?—No.

4599. How was it proposed that the police should be paid?—Sir Henry Pottinger proposed to rate the houses, but not to rate the houses so as to pay the whole expense of the police at the time, but taking it proportionately with the expected population, not putting all the burthen of the expenses upon the few houses there in the first instance.

4600. Dr. *Bowring.*] What is your opinion of the duration of the leases at Hong Kong?—I conceive that for the price which is paid the land ought to be held for 999 years.

4601. In fact, perpetuity or equivalent to fee-simple?—Yes; looking at the very high rate they pay for the land, I conceive it ought to be in fee-simple.

4602. Mr. *Moffatt.*] Your belief is, that such an arrangement would be advantageous to the Government?—Most decidedly.

4603. Would the present holders of the lands be willing to take them at 999 years' lease at their present rent?—If they do not they must give them up.

4604. There has been a considerable discussion with regard to the length of those leases at Hong Kong?—That is since I left.

4605. Were you cognizant of the letting of those leases?—No, I was not there at the first land sale.

4606. Is it your belief that the takers of those lands believed that they were to have them for 999 years, or that they were to have them for 75 years?—Sir Henry Pottinger announced that they were to hold them upon whatever terms the Home Government chose.

4607. Dr. *Bowring.*] Is it your opinion that the circumstance of the leases having been confined to short terms has been disadvantageous to the interests of the colony?—Certainly.

4608. *Chairman.*] You are aware that a statement has been made by the merchants, in a memorial to Lord Stanley, that Sir Henry Pottinger had done all in his power to force them to settle at Hong Kong. Are you aware whether that is the fact?—That is positively not the case. The moment that it was announced that the island was to be retained as a British colony, the merchants flocked over from Macao and did everything in their power to induce Sir Henry to give them land, which he refused to do until he had received further instructions from England. Those who had been fortunate enough to secure land when Captain Elliott was plenipotentiary instantly commenced building on a large scale, as, under the impression it was to be a free port, they predicted it would be the depôt from which the five ports of China would be supplied. Large sums were offered for the sites that had been allotted by Captain Elliott, and when Sir Henry put the land up to auction, the prices it brought are strong evidence of the opinion the merchants had of the value of the place. In a few months an

Lieut.-Colonel *Malcolm.*

1 June 1847.

extensive trade sprung up and immense quantities of piece goods were sold on the island, which were transported to the main land in native boats. Small vessels were passing hourly between Canton and Hong Kong, carrying the goods which were sold by sample at the former place, and daily vessels were coming from the north to obtain supplies for the other ports. No complaint was then heard of the want of accommodation at Canton, for little was required, the principal merchants merely thinking it right to have a house for a junior partner to transact business at, keeping their warehouses, &c. at our own settlement, as they preferred having their property under the protection of the British flag. Such was the state of the colony when I left it in 1843.

4609. Dr. *Bowring.*] What has been your experience of British merchants settled in China; have you generally found them reasonable and quiet, and well disposed, or, have they been exaggerating and unreasonable in their expectations?—As far as my experience goes, they did everything in their power, with some few exceptions, to assist the government, that is, during the war, and behaved very well; some new arrivals, people that came out that were new to the country, of course, did foolish things, but taking the old resident merchants, I cannot conceive a more respectable community, or one conducted in a better manner than that was, living as they did under no law. After the signing of the treaty I left China, and know nothing of what took place subsequently.

4610. Generally speaking, you consider that the conduct of the British merchants in China was creditable and honourable to them?—Yes, with a few exceptions; there were cases, of course, every now and then.

4611. *Chairman.*] Do you imagine that it would be unjust to make Hong Kong locally bear the whole expense of the maintenance of the establishment there?—It is perfectly impossible that it could do so.

4612. Are there any resources for the purpose, or was it expected that it would be a place that would be able to support itself?—Sir Henry Pottinger never expected that it would.

4613. Dr. *Bowring.*] Has your attention been called to the system under which the revenue is now raised in Hong Kong?—Only from what I have heard of it in this Committee.

4614. What is the impression upon your mind as to the system by which the revenue is now raised?—I conceive that nothing can be worse.

4615. *Chairman.*] What sources of revenue do you imagine would be best adapted to the peculiar position of Hong Kong?—I should say that land rent was the best adapted, as being easy of collection, and giving the least offence; besides the land rent, a police rate might be levied.

4616. Dr. *Bowring.*] What is your impression as to the influence of the opium farm upon the well-being of the colony?—I should say that it is extremely bad, from the fact of giving power into the hands of the person holding the farm. All farms must be bad, from the fact of giving such power into the hands of Chinamen.

4617. *Chairman.*] And into the hands of those who are not immediately officers of Government?—Of course they are not officers of Government.

4618. Dr. *Bowring.*] Then are the Committee to understand that your opinion is that a revenue from the sales of land, and a police rate, for the purposes of protecting persons and property, are the only reasonable and proper sources of revenue in the colony?—I think so. I think a greater revenue would be raised by the land rents, if the island were perfectly free from all petty taxations. I think that much more land would be let, and that the colony would thrive much better if all those were taken off.

4619. Dr. *Bowring.*] The removal of the petty vexations would be a great encouragement to settling in the island?—Yes; the Chinese are a peculiar people, and they do not like being interfered with. They do not understand us; they cannot understand our ways; and when they are told that they are to do first one thing and then another, they get frightened and will not come to us.

4620. *Chairman.*] Therefore the fewer points of contact we have with the Chinese population that are brought to Hong Kong the better?—Certainly.

4621. Dr. *Bowring.*] And things which would be an annoyance to any one would be peculiarly annoying to the Chinese?—Yes; and when you consider that the people administering justice and the police do not actually understand the language of the people they are coercing and keeping in order,

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it becomes of the greatest consequence that there should be as little interference as possible.

4622. The very causes of the interference could not be explained to the persons interfered with?—They do not understand it. I have seen myself a person apprehended; he knew nothing of what it was for, and nobody could explain it to him. He had done something; he had broken some rule, and the policeman, not speaking Chinese, could not tell the man the crime he had committed. The people were frightened out of their senses.

4623. Sir *G. Staunton.*] You think that by renouncing all other sources of revenue but the land rent, you might, by the improved prosperity of the colony, realize the same revenue that you do at present?—I cannot speak of what the island is now, but I am confident that if that system had been adopted in the first instance, there would have been as large a revenue raised by land rents as there now is by all the sources put together.

4624. Dr. *Bowring.*] And with the advantage of removing a great deal of discontent and ill-will?—Yes.

4625. *Chairman.*] Do you believe that a great number of Chinese might be induced to settle in the island, if it were not for those obstacles?—Judging from the way in which they were coming over when I left, I should say so.

4626. Were any Chinese of a respectable class coming over?—Respectable shopkeepers were coming over; there was only one merchant, a respectable person, who came over just as I was coming away, and we expected that he would be only the first amongst many.

4627. Sir *G. Staunton.*] Was the registration system established when you were at Hong Kong?—No, it was not.

4628. Are you acquainted with the nature of it?—Yes; I look upon it as a police regulation.

4629. That has been stated as one of the causes why respectable Chinese will not reside in the island?—I can quite believe it.

4630. Therefore, as far as you know, you rather condemn that system of registration?—I am not competent to give an opinion upon it.

4631. Dr. *Bowring.*] Was corporal punishment, or cutting off the tails of the Chinese, inflicted while you were there?—Corporal punishment was; but I never heard of cutting off tails.

4632. Would not that operate very unfavourably to the Chinese?—Cutting off the tails is a very serious matter; it is branding a man at once with infamy.

4633. *Chairman.*] Among the monopolies at Hong Kong, the monopoly of the market-place has been mentioned; have you any explanation to give of that?—The market-place was established by me in 1843, I think. The town of Victoria is nearly entirely supplied with provisions from the main land. On the first establishment of the colony, the country people came over and exposed their goods for sale on the principal roads and thoroughfares. As the population increased, this was found to be very inconvenient, and it was thought advisable to erect a market-place. As soon as it was ready, an order was issued forbidding any one to offer things for sale on the road, but notifying that stalls could be procured in the market-place for a trifling sum. A superintendent, with the proper assistants, were appointed, and a fixed scale of prices to be paid for stalls was placarded in the market-place. Any person might come over from the mainland, and have a stall for either one day or a month. No one was allowed to remain at night in the market-place except the superintendent. A letter which I addressed to Sir Henry Pottinger will show the prices which were fixed, and also the intention in fixing them. Provisions were abundant, and I never heard any complaint while I was there. The letter is as follows:—"Hong Kong Government House, 10 June 1842. Sir,—I have the honour to inform your Excellency that the market-place, the erection of which you sanctioned, has just been completed; but from the difficulty of levelling the ground, and the necessity of a strong retaining wall being built to support the main road which passes close by, the estimate has been exceeded by about 500 dollars; and with even that increase, it was found impossible to build all the sheds with tiled roofs, so that part of the ground is at present covered with mat sheds; but as there is every prospect of its yielding a revenue of 35 per cent. per annum, after making a liberal allowance for an establishment to keep it in order, I would suggest that a portion of the monthly receipts be allowed to be

Lieut.-Colonel *Malcolm.*

1 June 1847.

expended in the gradual substitution of permanent buildings, which would render it freer from the risk of being injured by fire, or the effects of gales and the weather. There is still a portion of government ground that would be available for buildings, should it be found necessary to increase the extent of the market-place at any future period. The following is the establishment I should beg to recommend; viz.—

| | |
|---|---|
| A superintendent - - - - - | 20 dollars a month. |
| One assistant - - - - - - | 10 „ |
| Three coolies, at 6 dollars each - - | 18 „ |
| Two watchmen - ditto - - - - | 12 „ |
| | 60 |

The charges for the different stalls will be as follows:

| | |
|---|---|
| Pork stalls - - - - - - | 1 dollar a month. |
| Fish ditto - - - - - - | ¾ „ „ |
| Salt fish ditto - - - - - - | ¾ „ „ |
| Fowls - - - - - - - | ¾ „ „ |
| Cake, tea, &c. - - - - - - | ¾ „ „ |
| Vegetables - - - - - - | 750 cash „ |
| Cook shops - - - - - - | 2 ½ dollars „ |

A house has been built for the superintendent of the market. I beg to recommend to your Excellency a person of the name of Afoon as a fit man to take the management of the place, of course acting under the supervision of the chief magistrate, and subject to the authority of the deputy superintendent." That was sanctioned by Sir Henry, in the following letter to me: "Government House, Hong Kong, June 11th, 1842. Sir, In acknowledging the receipt of your letter of yesterday's date, reporting the completion of the Government market-place, the building and arranging of which you zealously undertook to superintend, I have to express my satisfaction at what has been done, as well as to intimate my sanction to the additional expense of 500 dollars, and the prospective arrangements which you have suggested. As soon as this market-place is completely filled, of which the chief magistrate will be the proper judge, I shall have no objection to further ground being allotted for the erection of a second one, provided the wants of the settlement demand it; but as the outlay on the one now finished has been considerable, it is equally necessary and proper that it should be fully occupied with the object of reimbursing Government before another is undertaken. A copy of this letter will be communicated to Mr. Johnston, and through him to Major Caine, for the information and guidance of those gentlemen on the subject of it."

4634. Mr. *Moffatt.*] The principle upon which you established the market was that of letting stalls at fixed rates, and it was open to the competition of all?—Any person coming to the market-place could get them.

4635. At that period there was no idea of farming the market or the supply of provisions?—None whatever.

4636. *Chairman.*] The general establishment of the Government authorities was rather high in amount; what was the ground of its being placed upon that scale?—There was every prospect of a large population, and great traffic. It was conceived that it would be highly advisable that the servants of the Government should be placed in such a position that they could maintain themselves as gentlemen, and live respectably, as they would be constantly brought into communication with the Chinese and the Chinese authorities, upon all of whom outward appearance has a great effect.

4637. Dr. *Bowring.*] Were the rates of salaries settled by the suggestions of Sir Henry Pottinger?—The rates were all fixed by Sir Henry Pottinger, with the intention I have stated.

4638. Were the functions exercised by the different officers defined by him?—Yes; the great object was, that the Governor and all the officers should be placed in such a position as to inspire the respect of the Chinese government. The rates of salary were not high, when you consider the high rates that were given to clerks in the establishments of mercantile houses. The chief clerks of mercantile houses are paid as highly as many of the highest officers. I think

1,000 *l.*

1,000*l.* a year is paid to some clerks in mercantile houses. We have only a few officers that have salaries above that.

4639. *Chairman.*] Do you believe from what you learnt during the negotiations that it would be possible to establish a British resident at Pekin?—Certainly not.

4640. Was the question ever raised at all during the negotiation?—I believe it would not have been granted.

4641. Sir *G. Staunton.*] Have you any reason to suppose that it would have been very desirable, or that a British resident upon the old system would be of any use to our trade?—Quite the contrary; I think it is not desirable at present.

4642. You think that the residence of a minister at Pekin might involve the two countries in occasional difficulties, which would not be advantageous to the trade?—Certainly.

4643. In fact, you think it is best that the representative of our Government should be out of the way of daily collision with the Chinese authorities?—As there is no trade of any kind in the north, it would have been merely a constant scene of intrigue, and a constant source of annoyance to the Chinese government.

4644. Dr. *Bowring.*] You do not think that more intimate political relations would be likely to develope commercial interests?—No, I think not, as regards having a resident at Pekin.

4645. Sir *G. Staunton.*] Had you not as intimate relations through the minister Keying as you could have had by having a British resident at Pekin?—A great deal more.

4646. Have you observed any want of respect on the part of the Chinese functionaries towards the higher British authorities in China?—Ever since the treaty of Nankin, from the moment that we began that treaty to the time that I left, nothing could have been more courteous and nothing could have been more perfect than the manner of all the Chinese officers.

4647. There was no assumption of authority?—Not the least.

4648. There was a general recognition of the authority given by Her Majesty to her representative?—Most perfect; in fact no communication was held by Sir Henry Pottinger with the Chinese commissioners till that was fully allowed.

4649. Sir *G. Staunton.*] Are you aware, that under the original scheme proposed by Sir Henry Pottinger, surgeons were established at the five ports?—Yes.

4650. Are you aware that he considered the having surgeons at the different ports exceedingly desirable?—Most decidedly.

4651. *Chairman.*] Did you concur in that opinion?—I think they were of the greatest importance, as being so very advantageous in keeping up a friendly feeling with the Chinese officers.

4652. Sir *G. Staunton.*] And also for the health and welfare of our own people?—Yes.

4653. *Chairman.*] Medical men are found to be most useful intermediaries?—Yes.

4654. Dr. *Bowring.*] They easily find access to the Chinese houses?—Yes.

4655. *Chairman.*] Some complaints have been made as to the limitation which is imposed by the treaty upon Englishmen going into the interior. Did that question ever come before you in the course of the negotiations?—In one of the interviews with the commissioners I was pointing out the absurdity of not allowing us to go into the interior, as we should do no harm. A very influential officer answered, "I have known you for a month and I would let you go anywhere, but you cannot break down the prejudices of 2,000 years in a day; be content for the present with your island and your five ports; in a short time thousands will have seen you and visited you, and they will find out and tell their friends that you are not the barbarians you have been represented, and in the course of a few years you will be at Pekin, or in whatever part of China you like."

4656. Did he know anything of Europeans before?—No.

4657. Had he had intercourse with Europeans previously to Keying's visit?—No, he had only intercourse for one month previously; from the time of the first interview to the time of the treaty arriving, I had daily intercourse with him.

Lieut.-Colonel *Malcolm.*

1 June 1847.

him. The late Mr. Morrison and myself saw him daily; almost hourly. He was one of the most intelligent men that I ever met with.

4658. Sir *G. Staunton.*] Who was your interpreter when your conversation took place?—Mr. Morrison. This was the eventful month from the time that the war was stopped to the signing of the treaty.

4659. *Chairman.*] Had you occasion to fall in with Mr. Thom as interpreter?—He was constantly with me.

4660. Was he of service in the arrangements that took place?—It was on Mr. Thom's information that the details of the tariff were based. He was most invaluable throughout the whole. His death was the greatest public loss.

4661. Dr. *Bowring.*] Was he then a public functionary?—He was the second interpreter; he was afterwards appointed consul at Ningpo.

4662. Sir *G. Staunton.*] Previously to that did he not act as chief magistrate at Chin-hae over a district?—He did.

4663. And he showed great ability for that duty?—He did.

4664. He conciliated the inhabitants?—Very much; he was universally respected.

4665. *Chairman.*] It has been stated that Hong Kong is a peculiarly unhealthy situation; have you any remarks to make upon that point?—I hold in my hand extracts of a return to the Horse Guards of the remarks made by the General upon that subject. He says, in October 1846, "The troops have been very healthy during the last month. The hot season is nearly over, and I feel confident that the summer will now pass without serious disease of any kind. I consider this great improvement to be attributable entirely to the superior barrack accommodation." In November he says, "Continue healthy." In December, "Same as October." January 1847, "Continue very healthy; ophthalmia diminished." February, "Continue very healthy."

4666. Your opinion is that the unhealthiness of Hong Kong was owing, in the first instance, to deficient accommodation?—To the want of good barrack accommodation; a new cantonment is very often unhealthy from the want of drainage, the turning up of new earth, and living in new buildings before they are seasoned. The above extracts prove that, with good barracks, the health of the troops is improving.

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*Jovis, 3° die Junii,* 1847.

MEMBERS PRESENT.

| | |
|---|---|
| Dr. Bowring. | Mr. Moffatt. |
| Mr. Brown. | Mr. Parker. |
| Mr. Cardwell. | Viscount Sandon. |
| Mr. Harcourt. | Sir George Staunton. |

VISCOUNT SANDON, IN THE CHAIR.

Mr. *Francis William Prideaux,* called in; and Examined.

Mr. *F. W. Prideaux.*

3 June 1847.

4667. Mr. *Harcourt.*] WHAT is your situation at the India House?—Assistant to the Examiner of India Correspondence.

4668. Are you able to give the Committee some information with respect to the traffic in opium, between India and China?—Yes; there was a Return laid before The House last Session, upon a motion of Mr. Moffatt, which gives most of the information up to the last year to which we then had returns, and which I can continue for a year later.

4669. What is the total quantity of opium exported in latter years from India to China?—The return is not the value of opium exported, but of opium sold by the East India Company in Bengal. In the last year 1845–46, it was 2,74,93,343 rupees, that would be 2,577,500 *l.*; that is the opium sold by the East India Company in the Bengal Presidency, not including the Malwa opium. The value of the

the opium exported from India in each year must be from five to six millions sterling.

4670. Mr. *Moffatt.*] Is it your belief that that quantity goes exclusively to China?—It is all exported, and by far the greater part goes to China.

4671. Mr. *Harcourt.*] Is there any consumption in the Bengal Presidency?—There is; but that is not included in those sales.

4672. Can you make a similar statement with regard to the Bombay Presidency?—The last statement for 1844–5, in this Return, is incorrect. The quantity for which passes were actually granted in 1844–5 was 29,593 chests, instead of 20,660. Usually no passes were given in the month of September, which closes the Malwa opium year; but in consequence of an increase of duty which took effect on the 1st of October, passes were taken out for a large quantity in the month of September, which is unusual.

4673. What quantity went under passes in 1845–6?—We have not a full Return for 1845–6, but the opium officer in the district states that 30,000 chests was the produce of that year fit for export.

4674. Dr. *Bowring.*] What is the weight of a chest?—About 120 lbs.

4675. Mr. *Harcourt.*] What would be the value of 30,000 chests?—The present value is about 100 *l.* a chest, from 1,000 to 1,100 rupees. It would be about 3,000,000 *l.*

4676. What was the revenue derived by the Company from the passes granted in the Bombay Presidency?—The amount of pass duty on the 1st of October 1844 was 200 rupees. It was raised on the 1st of October 1845 to 300 rupees, and from the present 1st of June to 400 rupees per chest.

4677. What revenue does that give upon the total amount of opium receiving passes in Bombay?—Upon 30,000 chests the revenue at 30 *l.* a chest would be 900,000 *l.*

4678. Mr. *Moffatt.*] That is the revenue from the passes in the Bombay Presidency?—Yes.

4679. Mr. *Harcourt.*] Is the amount realized from the opium sold by the Company to be considered as revenue derived by the Company, or does that include the cost?—It includes the cost.

4680. What is the difference between the cost and the sale price?—The following statement exhibits the gross receipts, the charges (including the cost of the opium in Bengal), and the net revenue derived from opium in the Bengal and Bombay Presidencies, from the year 1842–3 to 1845–6.

BENGAL.

| | 1842–43. | 1843–44. | 1844–45. | Estimated, 1845–46. |
|---|---|---|---|---|
| | *Rupees.* | *Rupees.* | *Rupees.* | *Rupees.* |
| Receipts - - - - - | 1,82,79,956 | 2,28,27,792 | 2,46,96,465 | 3,01,60,000 |
| Charges - - - - - | 50,56,520 | 60,68,310 | 66,13,011 | 77,16,600 |
| Net Revenue - - Rs. | 1,32,23,436 | 1,67,59,482 | 1,80,83,454 | 2,24,43,400 |
| or £. | 1,239,697 | 1,571,201 | 1,695,324 | 2,104,069 |

BOMBAY.

| | 1842–43. | 1843–44. | 1844–45. | 1845–46. |
|---|---|---|---|---|
| | *Rupees.* | *Rupees.* | *Rupees.* | *Rupees.* |
| Receipts - - - - - | 25,97,009 | 35,59,870 | 37,91,404 | 61,80,153 |
| Charges - - - - - | 54,627 | 71,090 | 61,973 | 2,23,910 |
| Net Revenue - - Rs. | 25,42,382 | 34,88,780 | 37,29,431 | 59,56,243 |
| or £. | 238,348 | 327,073 | 349,634 | 558,398 |
| TOTAL - - - £. | 1,478,045 | 1,898,274 | 2,044,958 | 2,662,467 |

Mr. *F. W. Prideaux.*

3 June 1847.

4681. Dr. *Bowring.*] How is the opium obtained by the East India Company?—In the districts in which the poppy is cultivated it is cultivated under licence; the cultivators sell at a fixed price the poppy juice to the Government officers, and it is then sent to the factories, where it is manufactured into opium for the China market, and from those factories it is sent down to Calcutta, where it is sold by auction.

4682. How is that price fixed?—The price varies in the different districts. The opium agent undertakes to receive from those who choose to cultivate opium as much as they choose to send in, at the price fixed by the Government for that district.

4683. Does the price vary from year to year?—Not from year to year; it varies in the districts. I believe the average cost of a chest of opium to the Company is about 300 to 350 rupees.

4684. What is it sold for?—It has varied from 400 rupees to 3,000.

4685. When the East India Company's agents have fixed a price for the juice of the poppy, will they take any quantity at that price?—They take any quantity at that price; that is, the poppy juice, which is manufactured into opium by themselves. The selling price varies of course according to the demand in the China market. During the China war it went down to below the cost price, little more than 200 rupees, and it has sold at 3,000.

4686. Mr. *Harcourt.*] Does not the price paid to the cultivator depend upon the season in some measure?—No; he cultivates and delivers as much as he can produce; that of course must be poppy juice of a certain consistence; and an adjustment of the accounts is made at the end of the year. It is a price that is considered a fair remunerating price in average seasons.

4687. Dr. *Bowring.*] Can you state the maximum price of the last 10 years paid to the cultivators?—The price paid to the poppy cultivators or Assamees for the inspissated juice is, in the districts under the Behar opium agency, 3 rupees 10 annas per seer; in the eastern division of Benares, 3 rupees 8 annas; and in the western division, 3 rupees 12 annas. The seer is about two pounds weight.

4688. Mr. *Harcourt.*] You have stated the gross revenue; can you state what the nett revenue derived in the Presidency of Bengal from opium in the last year has been?—From the statement already submitted, the net opium revenue of Bengal for 1844–45 was 1,695,324 *l.*, and the estimated net revenue for the following year, 2,104,069 *l.*

4689. Can you state the number of chests supplied from the Bengal Presidency in the last year?—I will deliver in a statement of the total number of chests from the year 1830.

[*The same was delivered in, and is as follows:*]

PARTICULARS of OPIUM Sold at the *Calcutta* Sales.

| YEARS. | BEHAR. | BENARES. | TOTAL. | PROCEEDS. |
|---|---|---|---|---|
| | *Chests.* | *Chests.* | *Chests.* | *Rupees.* |
| 1830-31 - - | 5,349 | 2,199 | 7,548 | 1,25,07,008 |
| 1831-32 - - | 5,384 | 2,555 | 7,939 | 1,17,70,875 |
| 1832-33 - - | 7,499 | 3,139 | 10,638 | 1,24,50,303 |
| 1833-34 - - | 8,524 | 3,999 | 12,523 | 1,19,12,243 |
| 1834-35 - - | 8,628 | 4,399 | 13,027 | 1,36,09,379 |
| 1835-36 - - | 9,644 | 5,400 | 15,044 | 2,04,92,624 |
| 1836-37 - - | 11,167 | 6,090 | 17,257 | 2,58,51,386 |
| 1837-38 - - | 12,369 | 6,764 | 19,133 | 1,43,07,576 |
| 1838-39 - - | 12,845 | 5,718 | 18,563 | 99,73,604 |
| 1839-40 - - | 11,269 | 6,589 | 17,858 | 97,20,046 |
| 1840-41 - - | 12,640 | 6,187 | 18,827 | 1,33,25,326 |
| 1841-42 - - | 12,769 | 5,293 | 18,062 | 1,46,60,020 |
| 1842-43 - - | 9,635 | 5,469 | 15,104 | 2,03,02,697 |
| 1843-44 - - | 12,544 | 5,806 | 18,350 | 2,45,28,607 |
| 1844-45 - - | 14,799 | 6,638 | 21,437 | 2,88,11,031 |
| 1845-46 - - | 15,611 | 6,427 | 22,038 | 2,74,93,343 |
| Part of 1846-47 - | 8,450 | 3,575 | 12,025 | 1,55,32,825 |

4690. Dr. *Bowring.*] Has there been a great increase in the production of the poppy in our India territories?—Yes, throughout the Indian territories. The Malwa

Malwa opium is not under the control of the East India Company, but it is largely increasing.

4691. Is the increase progressive?—It is.

4692. Mr. *Harcourt.*] Are the cultivators of the poppy generally in good circumstances, comparatively speaking?—The cultivation is considered very profitable to the cultivators. When the Company have found it necessary to reduce the cultivation, and have ordered it to be discontinued in particular districts, it has produced great dissatisfaction. It is prohibited, except on account of the Company.

4693. Is it cultivated on a large or a small scale?—The individual cultivators cultivate it on a small scale.

4694. Dr. *Bowring.*] Do you know the extent of the largest property cultivated by individuals?—No, but I should imagine it is small; the Government always advances money at the beginning of the season to enable them to cultivate it.

4695. What interest is charged upon the money so advanced?—None.

4696. Mr. *Harcourt.*] Have you any estimate of the number of men employed in the cultivation of the poppy in India?—No. With regard to the Malwa opium, which comes from foreign parts beyond our frontier, a pass is granted which frees the opium from duty in passing through the Bombay territories.

4697. Dr. *Bowring.*] How is the Malwa opium purchased?—It is not purchased by the Government; they merely grant a pass, under cover of which it can be taken from Malwa to Bombay. The price of that pass is regulated according to the cost of taking it by any other route.

4698. To whom is it sold?—They sell it to the merchants.

4699. Is the money paid for the pass in the nature of a transit duty?—It has the effect of a transit duty. Before we had possession of Scinde, they were easily able to transport the opium through foreign territory, and export it from the port of Curachee, in Scinde, to the Portuguese ports; then the pass duty was 125 rupees; it was fixed at first at 175, but that was found too high, for still a large quantity of opium passed through the foreign territory. As we have now possession of Scinde, the only limit to the pass duty is the extra expense of taking it by a circuitous route.

4700. Is the cost of the transit defrayed by the East India Company?—No.

4701. Mr. *Moffatt.*] Is it to that that you attribute the great increase in Malwa opium between 1844 and 1846?—No; it must arise from the demand, because the duty has been increased.

4702. But prior to that time a great deal used to go through Scinde without a pass?—Yes, certainly the increase in the revenue derived from it in late years over former years is owing to that; but there is a large increase in the actual cultivation of opium in Malwa.

4703. Mr. *Harcourt.*] Can you give any account of the quantity of bullion imported into Bengal from China subsequently to the Parliamentary account?—In 1844–45, the quantity of bullion imported into Bengal from China was 10,014,589 rupees, or 938,876*l.*

4704. Dr. *Bowring.*] Was that in the shape of Sycee silver, or any other?—The statement laid before Parliament last Session shows the different descriptions of bullion imported in the previous years. In 1844–45, the quantity imported into the Madras Presidency was 17,700 rupees, or 1,659*l.*; and into Bombay, 17,504,510 rupees, or 1,641,048*l.*, giving an aggregate amount of bullion imported into India from China in that year of 2,581,575*l.* In the following year, 1845–46, we have no returns, except from Bombay, and it appears that the amount imported into that Presidency in that year was 10,454,297 rupees, or 980,090*l.* The value of the bullion exported from Bengal to China in 1844–45 was 10,00,050 rupees, or 93,754*l.*; from Madras to China 5,000 rupees, and from Bombay to China 7,657 rupees; making a total of 10,12,707 rupees, or 94,941*l.*

4705. Mr. *Harcourt.*] It appears that the balance of the total import of bullion into India over the export, in 1843–44, was 3,600,000*l.* sterling; has that been the case in following years?—In the year 1844–45 the total imports in sterling money were 2,581,575*l.* into the three Presidencies, and the export was only 94,941*l.*

4706. Mr. *Moffatt.*] Have you a return for 1845–46?—No.

Mr. *F. W. Prideaux.*

3 June 1847.

4707. The return for 1844-45 shows a considerable decrease in the export of bullion from China to India?—Yes, more than a million.

4708. Dr. *Bowring.*] Is opium ever exported from China to India on account of the Company?—Never.

4709. Is bullion ever imported from China on the Company's account?—Never, I imagine, on the Company's account. There was a considerable import of bullion from China, after the Chinese war, for the tribute.

4710. Are there any mercantile speculations now carried on by the East India Company between the presidencies and China?—None whatever.

4711. Mr. *Harcourt.*] It appears that by far the largest amount of bullion imported from China into India is into the Presidency of Bombay. Can you state what becomes of that very large amount imported into Bombay; how is it disposed of?—I know nothing of the mercantile transactions; it is altogether a transaction of the merchants.

4712. Can you give the Committee any further information as to the general trade between India and China?—I have a statement showing the value of the trade with China in 1844-45. A good deal of the trade which passes between India and China only appears in the Custom-House books as having gone to settlements in the Straits, where there are no duties. A large quantity of opium goes there which afterwards passes over to China. But the mere imports from China in 1844-45, the last year for which I have accounts, were 15,52,417 rupees; whereas the exports were 2,16,40,757. That was into Bengal only. The Madras China trade is unimportant. With respect to the trade between China and Bombay, the imports from China in 1844-45, were 61,72,564 rupees, and the exports from Bombay to China, were 3,09,76,303 rupees, making the total value of the exports from India to China 6,18,65,556 rupees, or 5,799,885 *l.*

4713. Does that amount include silver?—No, it is exclusive of silver.

4714. There were nearly 6,000,000 *l.* worth of goods sent to China from India?—Yes, I will hand in this statement now, and I will prepare a more detailed statement of the trade between India and China and the settlements in the Straits of Malacca, which shall be hereafter submitted for the information of the Committee.

[*The same was delivered in, and is as follows:*]

1844-45.

| | IMPORTS. | EXPORTS. | TOTAL. |
|---|---|---|---|
| BENGAL: | *Rs.* | *Rs.* | *Rs.* |
| China | 15,52,417 | 2,16,40,757 | 2,31,93,174 |
| Penang and Eastward | 19,81,118 | 52,13,190 | 71,94,308 |
| *Rs.* | 35,33,535 | 2,68,53,947 | 3,03,87,482 |
| MADRAS: | | | |
| China | 3,18,180 | 26,46,961 | 29,65,141 |
| Penang and Eastward | — | — | — |
| *Rs.* | 3,18,180 | 26,46,961 | 29,65,141 |
| BOMBAY: | | | |
| China | 61,72,564 | 3,09,76,303 | 3,71,48,867 |
| Penang and Eastward | 14,91,497 | 13,88,345 | 28,79,842 |
| *Rs.* | 76,64,061 | 3,23,64,648 | 4,00,28,709 |
| TOTALS *Rs.* | 1,15,15,776 | 6,18,65,556 | 7,33,81,332 |

4715. Dr. *Bowring.*] Are there facilities in India for an increased production of opium in case of an increased demand in China?—Unlimited, I conceive. But it has been the policy of the East India Company to limit the production as much as possible, and to endeavour to obtain their revenue by a large profit on a small supply, rather than by a smaller profit on a more extended provision.

*William S. Brown*, Esq., a Member of the Committee; Examined.

*W. Brown*, Esq.

3 June 1847.

4716. Mr. *Harcourt.*] CAN you give the Committee some information respecting the China trade, especially with Liverpool?—I will state to the Committee what I stated upon the occasion of a public meeting at Liverpool last year, giving a consecutive history of the tea trade, so far as it is connected with this country. It is probably only confirmatory of the evidence the Committee have already, but it may not be uninteresting to see the view I have taken of it. Prior to 1667, no tea was imported into this country by the East India Company, and but a little by private trade. It was made into a decoction at the coffee-houses, and sold at an excise duty of 8 *d.* per gallon. In 1667 the East India Company sent out their first order for 100 lbs. of the best "Tay," as it was then called. From that period up to 1707 I am not able to ascertain the duty, but I believe it to have been heavy, because in an old newspaper of that date it was stated by one who was anxious to get customers, that he was prepared to sell it from 26 *s.* to the very low price of 16 *s.* per lb. In 1747 the duty was reduced 2 *s.*, and it quadrupled the consumption. In 1768 the duty on black tea was reduced 1 *s.*, and the consumption increased 80 per cent. In 1773 the duty was re-imposed, and we lost that 80 per cent. From that period we come down to 1784, when Mr. Pitt, under the Commutation Act, in order to stop smuggling, and to add to the social comforts of the people, reduced the duty from 1 *s.* per lb., and 67 per cent. *ad valorem* duty, to 12½ per cent. The consequence was, that the consumption rose from 5,000,000 lbs. to 21,000,000 lbs. in 1795. There is some little discrepancy in the actual amount of the tea consumed at the first period, 1784; some parties state it as low as 3,000,000 lbs. I think 5,000,000 lbs. may be taken as a fair estimate. In 1795 the duty was raised to to 20 per cent.; and from that period to 1834, when the charter of the East India Company was abrogated, there was a continuous rise of duty at nine different periods; and at the latter date, the consumption, though more in pounds, was less per head than in 1795. As these changes in duty are taken from a Parliamentary document, I had better read the statement, which will carry on the history of the trade to the year 1836. "In 1784 the tax was 12½ per cent.; in 1795 it was raised to 20 per cent.; in 1797, to 20 per cent., under 2*s.* 6*d.* per pound, and 30 per cent. at and above that price; in 1798, to 20 and 35 per cent. respectively; in 1800, to 20 and 40 per cent; in 1801, to 20 and 50 per cent.; in 1803, to 65 and 95 per cent.; in 1806, to 96 per cent. on all prices; and in 1819, to 96 per cent., under 2*s.* per pound, and 100 per cent. at and above that price, continuing to the termination of the Company's charter. In 1834, the trade being thrown open, the duty was attempted to be levied according to a scale, which was supposed to mark quality, being 1*s.* 6*d.* per pound on the lowest tea, 2*s.* 2*d.* per pound on the middle, and 3s. per pound on the finest kinds. This scale was also constructed on the principle of taxing, as near as may be, the article with an average duty of 100 per cent., but was abandoned in 1836, and was succeeded by a uniform duty of 2*s.* 1*d.* per pound, until 1840, when the additional five per cent. imposed on all Customs duties brought it up to 2*s.* 2¼*d.* per pound." A very important fact connected with the importation of tea is embraced between the periods 1822–23, and 1831–32. The East India Company reduced the price of Bohea 7½*d.* per pound, and as it was charged an *ad valorem* duty; a similar reduction was made on the part of the Government, together amounting to 1*s.* 3*d.* per pound. The consequence was, that the consumption, which, in the former period, was 1,800,000 lbs., rose in the latter to 6,400,000 lbs. If this reduction had not taken place, it would appear from the figures that there would have been an actual decrease in the sales up to 1833 of 1,000,000 lbs; this reduction produced an excess of 3,600,000 lbs. On the abrogation of the charter the consumption increased from 31,000,000 lbs. to 44,000,000 lbs., producing a revenue of 4,800,000*l.* We have to contend with the difficulty of supplying this sum with a decreased duty. But when we look to the increase that has taken place by the reduction of duty and price, and the effect of low duties in other countries, I trust it will induce the Chancellor of the Exchequer to believe that the reduction of duty will produce a great increase of consumption. The quantity consumed in the Channel Islands is about 4⅛ lbs. per head. In Newfoundland it is 5 lbs. per head; and in New South Wales, 7⅛ lbs. per head. Now, with the evidence before us, that moderate

*W. Brown*, Esq.

3 June 1847.

duties produce increased consumption, I think the Chancellor of the Exchequer will be fully warranted in doing what he can to increase the social comforts and happiness of the people. Tea is not now a luxury; it has become one of the necessaries of life. With regard to the quantity of tea that can be supplied, it can be grown from the Equator to latitude 45°, although the principal tea district is from 23° to 35°. The Chinese use tea as we do beer, and the French low wines. Their consumption cannot be less than 7 lbs. per head; and multiplying this by the population of China, about 300,000,000 to 350,000,000, it will be seen that the per-centage we should draw would be trifling indeed. In the commencement of the last century, Europe and America consumed about 500,000 lbs. of tea; at the commencement of the present century, about 50,000,000 lbs.; and with this increased consumption there was a decreased price in China; they have the means of indefinitely extending the cultivation of the plant. We must not lose sight of the fact, that a larger consumption of tea would necessarily produce a larger consumption of sugar. This will greatly assist the Government in making up the revenue. With respect to a comparison which has been drawn between the consumption of tea in this country and in America, I would observe that the taste of the Americans is for coffee; they use 6 lbs. per head, or 121,000,000 lbs. per annum, while we consume but 34,000,000 lbs., or 1 ¼ lb. per head; and hence, as our taste is for tea, and not for coffee, I should not be surprised to see the consumption increased three-fold. With regard to the mode of collecting the duty, it is quite true that the collection of a specific duty is most easy for the Government and for the merchant; but I would ask, is it equity, is it justice, that the most valuable descriptions of tea should pay only the same duty as the lowest kinds of Bohea, and deprive the great mass of the people of the use of this wholesome beverage? It has been shown by Mr. Banfield, in one of his lectures, estimated on the rent of houses, that the great mass of the poorer classes who would be consumers of tea at low prices, are as 10,300,000 compared with 4,500,000 of the middle class, and 1,200,000 of the rich. The next point to which I wish to call the attention of the Committee is the quantity of tea consumed in the United States. I have the last official return from thence down to 30 June 1846, and it makes the consumption of tea 19,903,145 lbs., of the value of 5,022,600 dollars. The whole imports of every description of goods from China into the United States is 6,593,881 dollars. As I wish to show how much the English trade is benefited by our indirect trade with the United States, I will now bring under the consideration of the Committee the value of the exports from the United States to China, in the years 1842, 1843, 1844, 1845 and 1846. In 1842 it was 1,444,397 dollars. In 1843 it was 2,418,958 dollars. In 1844 it was 1,756,941 dollars. In 1845 it was 2,275,995 dollars; and in 1846 it was 1,178,188 dollars. That was the value of the exports from the United States to China in those years. Now the value of the imports in the corresponding years, in 1842, was 4,934,645 dollars; in 1843 it was 4,385,566 dollars; in 1844 it was 4,931,255 dollars; in 1845 it was 7,285,914 dollars; in 1846 it was 6,593,881 dollars. Now the general mode of paying for those extra imports in the United States over the exports, is either by a direct shipment of British manufactures from England to China, or by the Americans passing bills in China to British subjects, in order to enable them to buy this extra quantity of tea; so that on the face of this document, it would appear that we derived the advantage of being able to export about a million sterling of British manufactures to China, which is paid for by American bills by a circuitous route, they being liquidated by shipments of cotton; so that the indirect trade is a very profitable one, not only to England, but to the United States. The Committee will see that the quantity of tea consumed in the United States is small compared with the quantity of coffee. The quantity of coffee imported into the United States for home consumption amounted in the year ending the 30th of June 1846 to 124,537,192 lbs., which gives a consumption of six lbs. and one-fifth per head. The quantity of sugar and molasses imported into the United States in the year 1846, during the same period, amounted to 353,264,238 lbs., which gives a consumption of 17 ⅗ lbs. per head, independent of that produced in the United States, which is estimated in Louisiana alone at 214,000,000 lbs., without taking into account that produced from the maple tree and Indian corn; from those sources of supply, which are considerable, there is no estimate. I think the total consumption, taking those into consideration, cannot be less than 567,264,238 lbs. or 28 lbs. per head, but

that.

that includes molasses; and as some are distilled, it is very difficult to state the exact consumption of sugar per head in the United States.

4717. Mr. *Cardwell.*] Do you include the consumption by the slaves?—The slaves consume very little sugar, except during the time of making it; the slaves are not at all consumers of tea. The consumption of tea ought to be estimated upon about 17,000,000 of people, inasmuch as the negroes are not consumers of it worth notice.

4718. Mr. *Moffatt.*] What was the quantity of tea imported into the United States in 1846?—19,903,145 lbs.

4719. What consumption per head would that be?—It would be only about a pound a head. Prior to the abrogation of the East India Company's monopoly I was agent for American houses; and during the whole of that period, although the exports to China from this always promised very great results, they found, as is now found in England, that it was very difficult to get returns, and that the trade was not a very profitable one, although always pursued with the expectation of good results.

4720. Dr. *Bowring.*] You think that the result of the China trade has generally been unsatisfactory to the American merchants engaged in it?—I am not quite sure I ought to say that; I think it has not been so profitable a trade as has generally been supposed; I think it is what you would call a living trade, but that not many large fortunes have been made by it; indeed some parties have been unfortunate.

4721. Are there not some American houses who are agents of native Chinese merchants?—To a very moderate extent; there are probably more since the opening of the trade with England than previously.

4722. You are aware that transactions are carried on between the Americans and Chinese native merchants on joint account?—I have reason to believe that there are.

4723. Do you think that the extension of relations of that sort would be very likely to prove beneficial to the trade, in which the interests of the Chinese might be combined with the interests of European and American merchants?—Yes.

4724. Mr. *Parker.*] If the result has been unsatisfactory to the American merchants, has not that arisen from causes irrespective of high duty?—There has always been a very enterprising spirit in the United States. When I first knew the China trade, when I resided in America, teas were paid for almost altogether by the shipment of specie; of late years that has been abandoned, and they have been enabled to negotiate their bills in China, or to pay for those teas by the shipment of British manufactures.

4725. Dr. *Bowring.*] You have heard the evidence which has been given to the Committee as to the generally unsatisfactory character of the English trade with China; do you think that the trade carried on by the Americans has been equally unsatisfactory?—I do not think that upon the whole it has.

4726. Do you attribute that difference to the fiscal regulations of England as compared with the fiscal regulations of the United States?—No; I do not attribute it to that cause, I attribute it to too great an anxiety on our part to vend too many of our goods, more than the Chinese could pay for, independently of fiscal regulations. I consider that fiscal regulations, when high, must naturally abridge the trade; but I think that the present state of things might arise in the trade of this country with China, whether we had duties or no duties.

4727. Do you think that upon the whole the American merchants have shown more prudence in the management of their concerns in their trade with China?—I am not sure of that; they have sometimes had two or three bad years, and sometimes two or three good years. Probably a year or two hence we shall find the trade with China a fair trade, although it is very much depressed now, and has been the last year or two.

4728. Do you imagine that there has been the same glut of American merchandize in the Chinese market as of English merchandize?—The American manufactures in the Chinese market have been apparently rather decreased, in consequence of the large quantities of English manufactures sent there.

4729. That would show that there has been more prudence exercised by the American exporters than by the English?—Yes; the unremunerating sales have induced both parties to curtail the shipments.

*W. Brown*, Esq.

3 June 1847.

4730. Mr. *Harcourt.*] Is there not this difference, that the American shipments are chiefly conducted by merchants, whereas here they are conducted by the manufacturers themselves?—I think they are partly conducted by the manufacturers in the United States, but to a more limited extent.

4731. Mr. *Moffatt.*] To what do you attribute the great increase in the imports from China to the United States in 1845-46, as compared with the previous years?—The population is increasing.

4732. In the three previous years they appear to have been stationary, at about 4,000,000 of dollars, and in the two next years they appear to average about 7,000,000 of dollars, can you account for that increase?—It is difficult to state the causes which affect the increase of exports or imports. Very frequently after a year of disasters there may be a year of prosperity, and *vice versâ*; but to judge of a trade you must take a number of years together.

4733. Can you give the Committee any information with reference to the price of coffee in America, where the consumption appears to be so much larger per head than in this country?—I am not able to state what the price is with any accuracy.

4734. Dr. *Bowring.*] Is any trade carried on upon American account between China and the western coast of America?—Yes; we have occasionally had transactions on behalf of our American friends that have gone that circuitous route.

4735. That circuitous trade is more in the hands of the Americans than of the British?—Yes.

4736. Has it been an extending trade?—I do not think it has; I think it is very limited.

*George T. Braine*, Esq., called in; and Examined.

*G. T. Braine*, Esq.

4737. Mr. *Harcourt.*] YOU are of the firm of Dent & Co., of Canton?—Yes, and of Hong Kong.

4738. Have you also an establishment at Shang-hai?—We have a branch establishment at Shang-hai.

4739. Have you been long resident in China?—I have been in China permanently since 1838.

4740. Are you very conversant with the opium trade?—I had the special charge of that branch of our business for a number of years.

4741. Will you inform the Committee in what manner it is conducted. Was your house the importer, or the consignee?—We were importers on our own account and consignees from both sides of India very extensively.

4742. Dr. *Bowring.*] Have you any establishment in India as well as in China?—No partners; we have correspondents in all parts of India.

4743. Mr. *Harcourt.*] Have you imported largely on your own account?—Yes, and still more largely on consignment. Most of the large houses in China are both commission agents and speculators on their own account.

4744. Has your business been increasing in the last three years as compared with former years?—I should say not. A great number of new houses have come out since the alteration of the system in China, and the business of the large houses has not increased in proportion to the increase of the trade, owing to the large number of competitors who have taken a portion of the business.

4745. The trade upon the whole has increased?—It has increased year by year.

4746. And is likely to continue to increase?—I apprehend so.

4747. What has been the price of opium the last year compared with former years?—It has fluctuated very much. During the last year the prices have been lower than they were during the preceding year, in consequence of the increased quantity.

4748. Has the facility of import into China increased from the relaxation of vigilance on the part of the authorities there?—The facility of importation has not increased. The facility of sale probably has increased. There never was any difficulty in importing opium into China, even in the time of the greatest restrictions. It is a thing that was always carried on without any difficulty, limited only by the demand. But the facility of sale has increased considerably since the Chinese government have almost abandoned any attempts to restrain the trade.

4749. You mean the trade carried on by resident dealers?—Both by residents and by Chinese purchasers. The government have, in point of fact, abandoned all attempt to restrain the trade; and it is carried on with such complete connivance on the part of the chief authorities, that I have seen myself, at Shang-hai, chests of opium carried through the streets in the open day under the eyes of the mandarins.

4750. Were any complaints made by the authorities of its being prejudicial to the natives?—They formerly used to complain, but the general tenor of the complaints in their official documents was, that it occasioned a great leaking out, as they termed it, of the sycee silver, rather than any injury to the people.

4751. That export of silver from China has been reduced lately, has not it?—During the last year it has been reduced, partly owing to the great increase in the exportation of silk. The exportation of silk during the last year has increased from an average of about 3,000 to 4,000 bales to about 17,000 to 18,000 bales, and of course each bale of silk that leaves China saves an equivalent of silver being sent out to balance the trade.

4752. Are the payments for opium almost entirely made in silver?—They were a few years ago exclusively so, but during the last two years, owing to three causes, first, the increased quantity of opium, secondly, the increased number of consignees, and thirdly, the deterioration in the quality of the Malwa opium, there is much greater difficulty in disposing of it, and greater anxiety on the part of consignees to realize; and they have frequently of late bartered it for silk.

4753. Dr. *Bowring*.] Direct barter, without the intervention of money in any shape?—Direct barter transactions; opium for silk without the intervention of money. I speak from personal experience at Shang-hai.

4754. Mr. *Harcourt*.] How were the relative prices of the opium and of the silk fixed?—It was a matter of bargain between the seller of the silk and the seller of the opium; so many pounds or so many peculs of silk for such a weight of opium.

4755. But always with reference to some standard in silver?—Always with reference to a dollar standard.

4756. Dr. *Bowring*.] That is to say, you fix the price of the opium in dollars and fix the price of the silk in dollars?—Yes; and then gave a certain quantity of the one for the other.

4757. Have you known any case in which absolute direct barter, without the intervention of a money standard, has been used in transactions with the Chinese. Is not money always employed as the standard?—Always. The dollar is always used as the means of fixing the value in all transactions, whether for cash or barter.

4578. Mr. *Parker*.] Is the exportation of silk from China to England increasing at present?—The last year it was about 18,000 bales. This year it will not be less, and probably will be a little more.

4759. With the prospect of a continuing augmentation?—That is difficult to say. It depends upon the extent of country that they have under plantation for the mulberry. The opinion of the Chinese is, that it will go on increasing if we have a sufficient demand for it. There is no ascertainable limit to the production if it can be sold to a profit.

4760. Mr. *Moffatt*.] Are you of opinion that the introduction of opium as an element of commerce, has been prejudicial to our commercial relations with China?—That is a very large question. I should say not, taking it in all its bearings. It was the primary cause of getting acquainted with the Chinese upon the coast. At a time when we could not send manufactures along the coast we were enabled to send a vessel with opium, in that way getting acquainted with the people, and that has led to a gradual extension of the trade.

4761. It opened a market for the introduction of British manufactures?—I think there can be no question of that.

4762. Do you know whether the Chinese cultivate the poppy themselves?—I know that they do, having seen by papers and official documents that they cultivate it very extensively.

4763. Dr. *Bowring*.] In what provinces?—I believe in many provinces in the centre of China.

4764. Mr. *Harcourt*.] Is any objection made to it by the Government?—I believe not. At one period, when the persecution against opium was carried

G. T. *Braine*, Esq.

3 June 1847.

to a great height, it was supposed that there were great difficulties thrown in the way of the cultivation.

4765. The difficulties then interposed by Government could not have arisen from the exportation of silver, and therefore the objection must have been probably of a moral nature?—The objections of the Chinese government to opium have always been two-fold; one a moral objection; the other its occasioning the exportation of the silver.

5766. Do you believe that a continued increase in our sales of opium would tend to an increased difficulty in the sale of our manufactures, from the want of returns?—It may to a certain extent; but I should doubt whether to anything like the extent that has been asserted. It can hardly be supposed that the Chinese, if they were debarred from the use of opium, would use more long cloths or woollens, any more than an Englishman, if deprived of his claret, would wear more coats than he does at present.

4767. Mr. *Moffatt*.] You believe that the cultivation of the poppy is very extensive in China?—There is no doubt that it is extensive, but its magnitude we have no means of learning. We know that it is increasing, by the present accounts from Shang-hai. All the advices concur in attributing the recent decline in the value of Malwa opium, first of all to its inferior quality, and next to an increased cultivation in the interior.

4768. Mr. *Harcourt*.] Where do the bargains for opium take place?—Sometimes on board ship; sometimes on shore.

4769. There is no difficulty in conducting them on shore?—Not the least.

4770. Are they conducted by samples?—When it is Bengal opium, the quality is known to be uniform for the year. It is generally known what the quality is, and then it is received throughout the year as of that quality. The Malwa is of various qualities; the price is fixed as for good, and then any reductions that the inferior quality of it may render necessary are made when the examination takes place on board ship.

4771. Dr. *Bowring*.] What articles of Chinese produce do you mainly look to for the extension of our commercial relations with China?—I am not aware that they can be extended materially, except in tea and silk.

4772. Mr. *Moffatt*.] Have you heard of tallow, as an article of export from China?—Yes; it is produced largely, and several experimental shipments have been made, but I should think that they have been unsuccessful, as they have not been increased.

4773. Have you seen the article extensively used?—Yes.

4774. Dr. *Bowring*.] Is quicksilver an article of export?—The last two years we have been exporting it from China to England; but a few years ago we imported Spanish quicksilver into China.

4775. Has any quicksilver been sent directly from China to the mines in Mexico?—I am not aware of any. I know of shipments having been made to England, but of a very limited amount.

4776. Are you aware whether the production of it could be considerably increased in China?—We have no means of learning with any accuracy. All our information respecting mines in China is very limited.

4777. Mr. *Moffatt*.] Do you know anything of the cultivation of sugar in China?—It is cultivated extensively, but it is also imported largely. A great portion of the sugar which is used at Shang-hai comes from the Island of Formosa, which belongs to China.

4778. Is it chiefly from that colony of China that they derive their supplies in China otherwise than by native growth?—It is always said by the Chinese that a very large proportion of their sugar comes from Formosa.

4779. Not from any foreign country?—No. A small quantity has been sent from Manilla.

4780. Dr. *Bowring*.] If China could furnish productions for our market to any considerably increased amount, what articles of British manufacture would, in your opinion, be chiefly benefited by the Chinese demand?—To judge by experience, I should say cottons; what we termed long cloths: the power-loom cloths of Manchester.

4781. Has there been any considerable demand for cotton twist or yarn, or for any articles in a state of semi-manufacture?—In the south of China the consumption of twist has been gradually increasing. The East India Company made a few

a few experimental shipments, which they found very difficult to sell. Latterly the trade is increasing, but only in the south of China. At Shang-hai, according to the last accounts, cotton twist could not be sold at any price.

4782. Has there been any demand for linen yarn or woollen yarn?—I believe not. Small exports have been made of both, but not leading to any extensive business.

4783. Have you observed of late any considerable increase of knowledge amongst English manufacturers, such as to prevent their making the great mistakes formerly made in sending out articles unfit for the Chinese market?—I think in the last two or three years they have ceased to send articles that would not answer there. They are confining the trade now to articles of known current sale, such as woollens, cotton cloths, and cotton yarn for the south of China.

4784. Have the individuals representing British manufacturers taken any steps to obtain local knowledge by communication with the Chinese consumers?—As far as we have the means; but we are debarred from acquiring very much information, by being limited to the locality we reside in at the several ports. We are not allowed to sleep out of our houses, and probably the people who have communication with us are rather interested in keeping us in the dark than in enlightening us upon those subjects.

4785. If you were asked to suggest the best means of extending our commercial relations with China, what would you recommend for that purpose?—I am not aware that anything that I could recommend could now be reduced to practical operation; but I should have said, at the time of the treaty, that if we had obtained for foreigners generally the privilege of traversing the country, making them subject to punishment for any irregularity, instead of restraining them to particular places, we should have gradually obtained more knowledge of the country, more knowledge of the wants of the people, and more knowledge of what we could do to increase the productive powers of the country.

4786. You think that one main cause of the non-extension of the trade is our ignorance of the wants of the Chinese?—As regards articles of export, I think it is highly probable that it may be so; I think that very probably the mineral wealth of China might be very much increased. We may suppose that their knowledge of the arts and sciences is exceedingly imperfect, and that they have not the means of developing the resources of their country which we should have if men of skill and science had access to the interior.

4787. Do you know whether the Chinese manufacturers themselves have much capital employed in particular manufacturing establishments?—They must in the silk trade, for example; I think they must have large capital in many of the large cities. Souchow and Hongchow are two of the largest manufacturing cities.

4788. Is there much demand for Chinese silk manufactures, for the purpose of exportation from China?—No, very limited; they adhere to particular fashions in what they make for their own use.

4789. Have you had any opportunity of comparing the prices of silk manufactures in China with those of similar silk manufactures in Europe?—I have taken some trouble to ascertain the relative prices, and I find, generally speaking, that the Chinese prices are infinitely cheaper than the English.

4790. There is nothing but handloom weaving, and the application of machinery of a rude character?—Entirely so. In every manufacture in China they have no other power but the hand.

4791. Sir *G. Staunton.*] Have you made any attempt to open a trade at Foo-chow-foo?—I was the first merchant, I believe, that went to Foo-chow-foo. Immediately after the trade was opened, I made a tour of all the ports, including Foo-chow-foo.

4792. Have you any expectation that it will be a source of commercial advantage to us?—No; I was always of opinion, from what I saw of Foo-chow-foo, that it would not be a place of very large foreign trade.

4793. Geographically, has it not advantages from being near the Bohea country?—For particular descriptions of tea it has geographical advantages; but those are descriptions of tea which are gradually going out of use in England, what are termed the Ankoi kinds of tea. For most kinds of tea I believe it is not so advantageously situated as Shang-hai and Canton.

4794. As a means of introducing British manufactures also, may not it afford advantages?—I apprehend that you never can extend trade in manufactures there, except by the export of tea, for they have very little bullion there; their principal

*G. T. Braine*, Esq.

3 June 1847.

cipal circulation there is by paper. What in other parts of China is represented by copper, is in Foo-chow-foo a paper circulation of a very low denomination.

4795. Mr. *Harcourt.*] A paper circulation of what sort?—Notes issued by bankers.

4796. Sir *G. Staunton.*] Is it not the fact that there is very little trade at Ningpo?—It has almost fallen off to nothing, from its near vicinity to Shang-hai. They can bring the tea and the silk to Shang-hai with greater facility than to Ningpo; and Shang-hai is, besides, better calculated for a depôt for manufactured goods from England, from its vicinity to the wealthy cities of Soochow and Hongchow.

4797. With respect to Amoy, what prospect do you think we have there?—It is a trade that is gradually increasing. I should say that it is not capable of any very great extension, because there is no particular article of export which can be brought there to any great extent. At Shang-hai we have a large proportion of the tea trade, and I should presume there will for the future be nearly the whole of the Nankin silk trade. At Canton we have another large proportion of the tea trade; and all the Canton province silk.

4798. Probably the trade will be mainly divided between Canton and Shang-hai?—I should think so. I should think that the other ports will be a mere insignificant per-centage of the whole amount.

Captain *George Balfour*, called in; and further Examined.

Capt. *G. Balfour.*

4799. *Chairman.*] YOU wish to give some further information to the Committee with regard to some points referred to in your former evidence?—On the last occasion, in reply to a question, I proposed that greater powers in criminal and civil cases should be given to the consuls in China than they at present possess, jurisdiction in the latter being limited to 500 dollars; and I would merely wish to mention to the Committee, that I conceive that any objection which might exist with regard to greater powers being lodged with the consuls would be obviated by having a court of appeal or a court of reference at Hong Kong, so that both the consul and a British subject in China should have a fair chance of having the question properly inquired into.

4800. Dr. *Bowring.*] Are you aware that an Ordinance of March the 11th, of the present year, limits the power of appeal to the superior court of Hong Kong?—I observed by that Ordinance, which has recently arrived in England, that the power of appeal, which formerly existed, appears to be withdrawn.

4801. You would rather augment those powers of appeal than limit them?—I am of opinion that a proper court of appeal should be formed, established at Hong Kong, to which, and to the chief British in China, appeals should rest from the decisions of every subordinate authority; and I would recommend that a proportion of this court should consist of merchants, as well as of law officers and civil officers of Government, so that all parties may be represented in this court of review, which is to decide upon the merits of the case.

4802. Sir *G. Staunton.*] An appeal from what authority?—From the decision of the consul.

4803. You do not mean appeal from the superintendent of trade?—No, from the consuls. I conceive that there can be no appeal against the supreme authority in China except to the Queen in Council. I conceive that for the time being the chief British authority in China is supreme, and that any appeal against his acts must rest upon the home authorities.

4804. Have you any improvements to suggest in the ordinances that regulate our commercial relations in China?—I consider it would be an advantage in the framing of those ordinances, which are of two descriptions, one for British subjects in Hong Kong, the other for British subjects at the Five Ports, if proposed drafts of these ordinances were published, as in India, to elicit opinions and suggestions, with a view to effect such alterations as may be considered beneficial; the period prior to the final passing of these ordinances may be extended or diminished according to circumstances, and, of course, ordinances of an urgent nature might be passed at once without any such form. In order that those who have to carry into effect, as well as those who have to obey these ordinances, may fully comprehend them, it is essential that they should be freed as much as possible from all technical language, and to guard against contradictions and confusion, they ought to be complete and consistent without any general or vague references

to

to previous ordinances or other laws, but specifically setting forth any qualifying conditions which may require to be introduced; to effect this, at the beginning of each year a revised and condensed set of rules should be republished.

4805. *Chairman.*] Have you any observations to make upon the exportation of silver from China?—From all that I have seen and heard, the drain of silver from China has always appeared to me a serious evil. I conceive that in a great degree the late war in China was occasioned by the drain of silver, and at the present day I believe that serious inconvenience has been felt by the people of China from the same cause. During the time I was at Shanghai the relative value of copper and silver increased from 1,500 to 2,000 copper cash per tael of silver. I consider that the insurrection which took place near Ningpo in 1845, was occasioned in a great degree by the officers of the government requiring silver to be given instead of copper cash, which had been the customary mode of payment of that portion of the land tax fixed to be paid in money; thus virtually increasing the tax from 30 to 50 per cent.

4806. Dr. *Bowring.*] How could any regulations prevent the exportations of silver from China, if silver is the most profitable export?—Silver is generally taken away by one particular portion of the trade; it is not an article of export generally for the trade, but only for one particular object.

4807. Mr. *Spooner.*] What is that object?—Hitherto the chief purpose for which silver has been used is in payment for opium.

4808. Dr. *Bowring.*] Does not the willingness of the Chinese to pay silver for opium prove that the demand for opium is much more eager than for any other article?—That does not alter the case; it occasions inconvenience to the people of China by reason of this exportation of silver.

4809. Do not they pay in silver because the payment by silver is more profitable to them?—No; the anomalous state of the opium trade in China necessarily requires it to be paid for in the article most convenient to be given, which has hitherto been silver.

4810. Mr. *Spooner.*] Could copper be used in payment?—The bulk of it is so objectionable, that it could not be done.

4811. The inconvenience would be so great, that it would not be practicable?—Partly so, for the fact is, that 20 dollars' value of copper is a load for a man; but also the copper in quantity is inadequate, because China depends chiefly upon the supply of copper brought from Japan for the copper currency, and afterwards mixed with the native copper and spelter.

4812. You said that the officers required the land tax to be paid in silver instead of copper; were they authorized to do so?—That was one of the illegal exactions, in consequence of which the officers of government who had so exacted it were degraded, and sent for trial.

4813. Then it was illegal?—Yes; then arises difficulties to the officers of China, which place a class of men who have hitherto been friendly to us in a difficult position with their own government; they are bound to furnish to the Treasury the land-tax in silver, and yet the people of the country are entitled to pay it in copper cash; whilst therefore the drain of silver occasions discontent amongst the people of China, it occasions ruin and disgrace to the officers of government.

4814. That is by the Chinese law?—Yes.

4815. Sir *G. Staunton.*] It appears from what you have stated, that if by any circumstance the opium trade were materially diminished, the drain of silver would cease, and the prosperity of the Chinese would certainly be improved?—Or this result would be equally attained if our exports were increased in any way whatever. I conceive that this result has taken place with regard to silk, the increase of the export of which has been very great. From Shanghai 15,000 bales of silk have been exported last year, which has tended to decrease the drain of silver, as a considerable portion was paid for in opium.

4816. *Chairman.*] It appears that in the last two years the import of bullion from China into India has enormously increased. Are you aware of the cause of that?—That I conceive includes the indemnity money, under the treaty of Nankin; no conclusion can therefore be drawn from it, as far as regards the silver taken by the trade.

4817. Dr. *Bowring.*] Was there any want of silver at Shang-hai when you were resident there?—A considerable want; it was very scarce. The abundance of sycee silver ceased after June 1845.

Capt. *G. Balfour.*

3 June 1847.

4818. Mr. *Spooner.*] If the importation of opium into China were by any means lessened, and consequently the drain of silver lessened, would not that afford easier means of remitting for articles of manufacture sent from this country to China?—I do not consider it likely that the Chinese will ever consume less opium than they do.

4819. But supposing that by any circumstance the amount of opium imported into China was decreased, and the consequent drain of silver to pay for that opium decreased, would not the amount of silver so left in the country facilitate the means of making a return for our manufactures imported into China?—It is a difficult question to answer; but I can state from experience, that from November 1843 to about June 1845, the payment for our manufactures was in silver and in silk. It ceased in silver after that period.

4820. Did the remittance of silver to this country cease after June 1845?—It diminished both to this country and India from less being received by the British Government under the treaty, and also on account of the increased export of tea and silk.

4821. The Committee have it in evidence that those teas were sent here at a great loss. Can you at all explain why it was that when those teas which were substituted for silver came home at a loss, silver was not again resumed as a return for those goods, rather than teas, which involved a loss?—My own impression is, that our trade has not been conducted with due care and management; that many persons have entered into the trade without the experience necessary, and that manufactures have been sent out there, to an extent which overstocked the market, if not absolutely, at least for a time, by forcing those goods upon the market in larger quantities than could be consumed on the instant. The prices, however, which have been quoted before the Committee for manufactures sent from England, would show a decided profit to the manufacturer on those goods; but I am aware that those statements are fallacious, for this reason, that the prices quoted were not the cash prices at the time that they were quoted, but they were what are denominated barter prices, which vary from real cash prices as much as from 10 to 30 per cent. The Chinese, in consequence of those high prices, were obliged to raise the prices of their teas, and those teas came home to a losing market. The teas having been to a great extent sent home on Chinese account, under advances from British merchants, those teas were thrown upon the market in England, and sold to meet the bills drawn against them; I conceive that those have been the causes in a great degree of the losses existing in the trade.

4822. Dr. *Bowring.*] You consider that neither the money value attached to the goods sold, nor the money value attached to the teas purchased in return, would fairly represent the value?—They were not cash prices; I believe the Committee will find on careful examination that such has been the case with regard to our trade; I hope it is rectified by this time, and that the system of making advances and bartering goods without bringing them to a real cash value has ceased; and that manufacturers and Chinese will hereafter allow merchants to carry on a trade which requires a very circuitous route and a long period to conduct it properly.

4823. *Chairman.*] In fact, without a cash price the parties cannot ascertain what they are about?—It is impossible; I believe that there have been instances where goods have been sold nominally for three dollars a piece, and where they have been bought up again by British merchants for two dollars and 20 cents per piece, and sent to Canton for sale. I conceive that no merchant acting solely on his own account has been safe in the trade for the last two years.

4824. Those are the natural results of new markets and inexperience?—Yes.

4825. Mr. *Moffatt.*] You state that in the interval between 1843 and 1845, at the port of Shanghai, our imports were paid for exclusively in bullion. Can you give the Committee the value of the imports in that period?—With the exception of the two months in 1843, when Shanghai was first opened, the trade returns for which period, prepared by me, have not been published, all the other returns for 1844, 1845, and 1846 have been laid before Parliament, and I think they were stated in Mr. Rawson's evidence. There is a portion of the quotations of prices not given, which were exceedingly high. When I first went to Shanghai, when the port was opened, long cloths were selling as high as four dollars 20 cents a piece.

4826. They were exclusively paid for in bullion?—Bullion and silk; that silk being

being obtained in a great measure with the silver realized for opium, because our exports exceeded the imports, the difference being made good by the silver from Woosung.

4827. *Chairman.*] Do you believe that the municipal administration of Hong Kong might be improved by a different system?—I think that the whole system in China might be simplified and placed upon an efficient footing, that is to say, having no double departments in England to control affairs in China, allowing Hong Kong to be perfectly free, and calling upon the merchants to take part in the municipal administration of Hong Kong; it would also be matter for consideration whether, by calling upon the Chinese to form themselves into wards, we might not obviate many of the evils now complained of regarding them.

4828. At present Hong Kong is under two departments, the Colonial and the Foreign Office?—The affairs in China are under two departments; the trade in China being under the Foreign Office, and the island establishment being under the Colonial Office. Hence the necessity of a double control; the government officers are obliged to be separate to attend to the Colonial Office as well as to the Foreign Office; were the whole under one department, the Foreign Office, the management would be materially simplified.

4829. Dr. *Bowring.*] Were the communications from the consular authorities always made to the governor of Hong Kong in his colonial capacity?—Not in his colonial capacity, but as Chief Superintendent of Trade and Plenipotentiary.

4830. He corresponds with both departments?—As Governor of Hong Kong he corresponds with the Colonial Office, and in political and commercial affairs with the Foreign Office.

4831. Does he recognize the two authorities?—He recognizes the two authorities, inasmuch as he must communicate both with the Foreign Office and with the Colonial Office.

4832. Sir *G. Staunton.*] In the course of your experience at Hong Kong have the police and municipal regulations been improved?—There can be no question that the want of security which existed in 1843 and the beginning of 1844 was exceedingly great, and that since then greater order has been established. The police may be deficient in some respects, but it appeared to me that it performed its duties with considerable efficiency, and that robberies were diminished immediately in the town to a considerable extent. I believe other parts of the island are still defective.

4833. But upon the whole there is a considerable improvement with regard to the security of person and property?—Decidedly, in the town.

4834. Do you consider the colony generally in a state of decay, or improving?—I must confess, that when I returned from the north, after being there three years, I was surprised at the progress of the island, especially as regards the drains and the extensive roads which have been constructed. The whole of the high land above the town was drained; water from the hills had been carried down into well-constructed channels. The whole state of the place had been wonderfully improved; numerous houses had been erected by the merchants; the Government had made excellent buildings. I conceive that the Government had done much for the place, and that the merchants themselves have done much also; buildings of a superior description have been erected; indeed a town has already risen from the barren island I first saw; and this advancement of itself shows a remarkable state of progress.

4835. Dr. *Bowring.*] What was the date of your last visit?—In October 1846.

4836. *Chairman.*] Do you conceive that the consular establishments now existing in China might be improved in their system?—I would strongly recommend that our consular establishments in China should be kept on the most efficient footing, and that a fair time should be allowed to show the result of our trade, and the advantages of the different ports.

4837. Would you recommend that there should be medical men attached to each consular establishment?—On the first opening of the ports, each consulate had a medical officer attached to it.

4838. Do you conceive it would be advisable to have such officers?—I think decidedly there should be efficient medical officers, looking to the extent of shipping at one time at some of the ports, and the number of sailors that may be in hospital or in prison, and the punishments the Consul may have to inflict; indeed I should be very unwilling to undertake the duties without a medical officer; and their usefulness might be extended to drawing up reports upon the

Capt. *G. Balfour.*

3 June 1847.

productions of China, and to furnishing a variety of information which would be both useful and interesting to England.

4839. Would not the placing of medical men in China naturally lead to communication with a number of parties from different parts of China, from whom information might be collected which might be of service?—I can speak with reference to one medical gentleman who has been in China a number of years, and whom I met with at Chusan when we first occupied the island, Dr. Lockhart; he has certainly done a vast deal of good. He belongs to the Medical Missionary Society, and has attracted to him a number of patients. His hospital, established at Shang-hai, is open for 140 patients; they flocked to him in great numbers.

4840. Have persons of station come to him from a distance?—Several persons of station have come from a distance, and resided at the hospital.

4841. Dr. *Bowring.*] Do the Chinese willingly submit to surgical operations performed by Europeans?—In several cases wounded men, and men who have met with accidents, have been taken to Dr. Lockhart, and have submitted to operations. Almost all patients who resort to him are more or less afflicted with ophthalmia.

4842. *Chairman.*] Men of considerable rank have had recourse to European medical officers?—The commanding officers of the military troops, officers of high rank, whose buttons are of the highest, applied to Dr. Lockhart, and at my recommendation introduced vaccination amongst their troops. One of them had his own children vaccinated by Dr. Lockhart, and induced many of the soldiers to have their children vaccinated. A pamphlet printed at Shang-hai, on vaccination, was circulated by him to a great extent.

4843. Is not such intercourse as that most likely not only to increase our acquaintance with the natural productions of China by drawing men of intelligence from different parts of the country to our stations, but also to extend to different parts of China an acquaintance with English character in a favourable point of view?—I certainly consider that likely to be the result. Anything which can induce kindly feelings between the two nations will certainly tend to open up the resources of China; and not only will there be greater access to information, but we shall be more likely to have the confidence of the Chinese by all those means.

4844. The parties who come and receive medical assistance, and go back to different parts of China, are in fact missionaries of goodwill throughout the country?—Quite so, throughout the whole country, so far as their influence goes. I will mention a remarkable instance of confidence reposed in Dr. Lockhart. Previously to my departure from Shang-hai, the late Mr. Thom was reported to me as being in a dangerous state; I immediately applied to the Chinese officer to send Dr. Lockhart across to Ningpo by land; he at once acceded to the request, and volunteered to send him through Hangchowfoo, the capital city of the province of Chekiang, a degree of liberality which three years previously would not have been credited; but the object being to supply medical aid as speedily as possible, and as that was not the shortest route, I suggested that he should cross the country to Chapoo. He accordingly went to Ningpo in that way, and returned in the same manner, and passed through Chapoo, a place which we took by storm during the war, and where the Tartar troops had suffered most. He passed through unmolested, indeed with every attention.

4845. Dr. *Bowring.*] Are not the medical and surgical knowledge of China in a state of very low advancement?—Medicine is very much used in China; they are not very famous, I believe, for their surgical skill.

4846. Mr. *Brown.*] Does Dr. Lockhart speak the Chinese language well?—Very well.

4847. Sir *G. Staunton.*] In what language are commercial transactions generally carried on in Shang-hai; is it in broken English or in Chinese?—Several of the merchants, I am happy to say, have obtained sufficient knowledge of Chinese to conduct a considerable portion of their business in the Chinese language. The sooner the merchants qualify themselves in the Chinese language, the more likely are their transactions to be satisfactory to themselves.

4848. Is there at present a growing sense of the importance of acquiring the Chinese language?—There is; the merchants attach importance to it.

4849. You conceive that the acquisition of the language would contribute very much to the extension of the commerce?—Yes.

4850. Dr. *Bowring.*] Is not the motive to acquire the language stronger at Shang-hai

Shang-hai than it is at Canton, on account of the difficulty of obtaining interpreters?—The language is a better language at Shang-hai than at Canton, where it is only a dialect; at Shang-hai it is more the received language of the country; but the merchants no doubt see the advantages of knowing Chinese in their intercourse with the natives of all parts.

4851. Sir *G. Staunton.*] Therefore any measures that can be devised for facilitating the acquisition of the Chinese language are very desirable, as promoting commercial intercourse?—I should say that to extend the knowledge of the Chinese language is indispensable to our interests.

4852. *Chairman.*] Is not there a useful society, called the "Morrison Education Society"?—There is an excellent establishment, the Morrison Education Society, founded as a tribute to the memory of the late Dr. Morrison.

4853. Have Europeans access to that institution to learn the Chinese language?—That is not the object of it; it is intended to give Chinese boys a general English education, combined as well with a knowledge of their own language.

4854. Is there any institution at present existing for the instruction of the English in Chinese?—No, there is none.

4855. Dr. *Bowring.*] Are there no schools in which European children can learn the native language?—No, except that a few boys might perhaps be received into the Morrison Education Society.

4856. You were acquainted with the late Mr. Thom?—Yes; he served during the whole operations in China. From the time he entered the Government service, in 1840, till his death, I had intimate intercourse with him in all his duties.

4857. Was he of great service?—He was; his services during the war, and his services after the peace, were most valuable. He was the only interpreter, upon many occasions during the war, available for the forces; his knowledge and experience of Chinese were of most essential importance.

Mr. Thom readily sacrificed a most lucrative position in an extensive mercantile firm, to devote himself to the service of Government, and he eventually died of disease contracted during the war, and at that time neglected by him, his services being too much in request to permit him to attend to his health; for no one was more self-denying, nor more regardless of his own health and interests, more ready to sacrifice all personal considerations for the benefit of others.

4858. Did he take pains to make himself master of the language?—He was a thorough Chinese scholar.

4859. And he made himself also master of the trade?—His previous habits had well prepared him in that respect, and it would be a very rare thing to find any Government officer so well qualified by his varied information and experience for the duties of his office.

4860. Are you aware that ships from India have experienced difficulty in carrying on a direct trade between China and England?—I am aware that ships manned by Lascars have a difficulty in conveying to England from India or China the produce of these countries, or for exporting from England to China, or to India, any articles of British manufacture. They must be manned by English sailors before they can be considered on the same footing as English ships.

4861. Indian ships have not the privilege of British registration?—I am doubtful how far an Indian registered ship has the privilege of British registry in the colonies of Australia. I think it is also doubtful with regard to England; but the principal objection against an Indian ship is its being manned by Lascars, who are not considered British seamen. If Lascars come home here they are obliged to be taken back as passengers.

4862. Dr. *Bowring.*] What change would you suggest in that respect?—I would give them the same privileges that India gives to England; she gives to an English ship the same privileges as to an Indian ship in the coasting trade in India. A ship manned by Lascars should be placed on the same footing as an English ship. In many respects it would be advantageous; for instance, in the cotton trade; cotton is conveyed from India to China, and they could bring home sugar and other articles from that country; it would also give the merchant a greater command of tonnage in China.

4863. *Chairman.*] As things now are a vessel from India to China, with a large portion of Lascars on board, could not complete her voyage by coming home to England with the produce of China?—No, nor convey the produce of China to the Australian colonies, except at disadvantages which entirely prevent it.

4864. In fact, only upon the same footing as a foreign ship?—I believe every

Capt. *G. Balfour.*
3 June 1847.

article imported into Australia from India and India ships are placed in that colony on the same footing as if belonging to a foreign country, by higher duties being levied than applies to the goods or ships of any other British colony but India.

4865. Mr. *Brown.*] Does not Dr. Lockhart's popularity among the Chinese arise partly from his personal habits and character?—Certainly. He is a man of the most self-denying habits; he sacrificed a large practice in England to go to China; he is a man of peculiarly fine temper, he is an able medical man, and combines therewith a knowledge of the language.

4866. Has not the trade between India and China increased?—The exports into China from India are very limited in the number of articles of any considerable value, cotton and opium composing the chief articles, and precious stones, sharks' fins, putchuk and saltpetre the next in order, with a number of other articles of little value; besides the great increase of late years in the opium trade, it appears from the able statement of the foreign trade with China, drawn up by the late Mr. Thom, and which has been laid before Parliament, that the importation of cotton into China from India averaged, prior to the opening of the Five Ports, about 500,000 peculs per annum, whereas, by the late returns laid before Parliament, the importation into China since the opening of the new ports has been upwards of 700,000 peculs of cotton.

4867. Do you think that it is capable of increase?—I think, if the export duty, which is at present levied in India on raw cotton exported to China, were entirely removed, it would increase the export from India to China. The reduction of expense from facilities of shipping the cotton, with the amount of the duty so reduced, would probably admit of the cotton of India entering more successfully than at present into competition with the cotton raised at Shang-hai, and which meets and competes with our Indian cotton in the markets of Amoy and Foochow, and even sometimes at Canton. An important point to be attended to in causing an increased export is in the better cleaning of the cotton of India.

4868. What is the amount of duty?—It varies at the different presidencies of India, but when exported on British bottoms it is, at Bengal, eight annas per maund; at Bombay and Madras, nine annas per maund; and when exported on foreign bottoms, double these rates.

4869. Would that amount of duty be enough to divert the stream of the trade?—I conceive that India is quite capable of supplying any quantity of cotton to England and China, provided the country is opened out by roads, and, above all, by canals, as formed in China; and that the amount of duty, of about 1*s.* on every 82 lbs. of raw cotton, is sufficient, if not to divert the trade, at all events to check the export, so as to prevent the cotton becoming a favourable means of laying down funds in China.

4870. You have been in India?—Yes, at Madras.

4871. You think that the present amount of duty is an impediment to English interests as well as Chinese?—It is an impediment to English interests, because a great deal of money is sent on from India to China, and is remitted on English account, to meet the payments that India has to make to England for the value of goods which India takes off from England, and for the territorial charge payable in England; and as England does not take direct from India sufficient exports to meet these payments, the balance is remitted to England through China, and cotton thus becomes, with opium, one of the most important items by which to make this remittance on to China, and thus enabling many parties to provide funds in China independent of the opium trade. The duty levied in India thus seriously interferes with the means of effecting remittances. I believe the question of entirely abolishing the export duty, and of modifying the whole of the export duties of India, has been under the consideration of the Court of Directors.

4872. *Chairman.*] Do you believe that any arrangements can be made to prevent smuggling in China?—I conceive that smuggling of any kind which deprives China of any portion of the legal duties from our trade, is injurious to our interests; and I would recommend that an efficient control should always be exercised to see that the local trade is carried on in a proper manner, and that the fair and honest merchant should be placed on an equitable footing. I think that the consuls should look particularly after the custom-houses, and see that they are efficiently conducted and established, and that the Chinese officers perform their duties.

4873. You

4873. You think that it is for the advantage of our trade to do so?—Yes, to force the Chinese to have efficient establishments; it is irregularities that we have to fear more than any direct payments.

4874. Dr. *Bowring.*] Would you authorize our officers to act on behalf of the Chinese government in protecting the Chinese revenues?—I conceive that we are in a peculiar position in China, and that it is better that we should insist on their providing efficient establishments than that we should allow irregularities to take place merely because it is not our direct duty to interfere.

4875. Do you think that our Government would allow a foreign government to interfere in such a matter?—Asiatic countries are entirely in a different state from European nations. For instance, England would never give up the right of jurisdiction over foreign subjects; China has given up that power; it is therefore the duty of England to replace that natural authority which we have taken from China.

4876. *Chairman.*] Are not collisions likely to arise from irregular proceedings?—Irregularities are the cause of all the collisions; it is those proceedings which occasion so much trouble to the Chinese officers; the instant difficulties of any kind arise in China, the government officers are the first to suffer; I therefore advocate the adoption of measures to prevent these irregularities, and not to delay till they do arise, and this can only be done through the consuls.

4877. Sir *G. Staunton.*] You alluded in your former evidence to the indiscretion of a missionary as a proof of the necessity of great circumspection in our intercourse with the Chinese, but you were not understood to say that the missionaries generally have been indiscreet or have endangered our relations with China?—On the contrary, there were several missionaries at the place at which I was stationed, American and English, and I must say that they always met my suggestions and wishes to the fullest extent.

4878. And therefore their conduct, generally speaking, has not been adverse to our commercial interests?—On the contrary, I know that to one missionary of the London Missionary Society Government are much indebted. During the absence of the interpreter from severe illness, he performed the duties of that officer, declining all reward, and very willingly sacrificing to the public interests his own views, which are opposed to any Government connexion. I may add that he gave his time and his knowledge of the Chinese language for the public service at a time when I must have been exceedingly distressed if I had not received that assistance; but he ever after kept himself as a missionary free from mixing with the Government officers of China. I particularly recommend to the missionaries, in their missionary duties, to abstain from all interference with the Government officers of England and China, to go quietly on with their labours among the people, and not mix themselves in any way with either the English or the Chinese government: the less intercourse they have, as missionaries, with Chinese officers, the more will their labours as missionaries be promoted.

4879. Mr. *Harcourt.*] Do you think that the earlier Chinese missionaries had more facilities of conversion than we have?—They have, in the last 200 years.

4880. Dr. *Bowring.*] Have their converts been subjected to any serious persecutions?—The persecutions ceased in consequence of our military operations. There have been complaints of persecution, and the interference I made was always received with kindness by the highest officers in the province. Since the French minister has obtained toleration throughout the empire, persecution of any kind is opposed to the law.

4881. During the most violent persecutions, the missionaries of the Catholic Propaganda still continued at work?—Yes, in a remarkably devoted manner. I think that the way in which they persevered, in what appeared to them a right course, is deserving of every praise.

4882. Mr. *Harcourt.*] It is said that there are 200,000 Roman-catholics in China; do you believe that to be the fact?—I conceive fully that number. In the province where I was, there were 65,000; the whole of my establishment of police when I first went to Shang-hai were composed of Roman-catholics; each man wearing a small medal, which is the distinguishing mark throughout China.

4883. Dr. *Bowring.*] And regularly attending Roman-catholic worship?—Yes, at little places in the country.

4884. Sir *G. Staunton.*] Were those persons new converts, or the children of Roman-catholic parents?—The children of Roman-catholic parents.

4885. *Chairman.*] The remnants of the old converts of the Jesuits?—Yes.

Capt. *G. Balfour.*

3 June 1847.

4886. Dr. *Bowring.*] Have any conversions taken place among the Tartars as well as the Chinese?—I understand by report that several persons connected with the palace have been converted.

4887. Are most of the high functionaries Tartars?—On the contrary, most of the high offices are held by Chinese. It is a remarkable thing that so few Tartars are employed in high offices.

4888. Sir *G. Staunton.*] But there are Tartar garrisons, are not there?—Yes, but they are not numerous.

4889. Mr. *Harcourt.*] It is said that there were more facilities for conversion under the Jesuits, from their being more tolerant of the idols of the country than the Dominicans and Franciscans were; are you aware that that is the fact?—The Jesuits tolerated the Confucian system more, so as to give some latitude to the Chinese to adhere to their ancient customs.

4890. But the numbers of conversions have been less since the Dominicans and Franciscans and other orders have supplied the missionaries?—I conceive that the persecution which arose a hundred years ago against the Christians in a great degree moderated the disputes between the different orders of missionaries: those disputes were the great cause of their expulsion from China.

4891. Sir *G. Staunton.*] Do you think that conversions are still going on to a considerable extent?—Yes; Count De Bessi, who has been residing at Shang-hai for 12 years, stated to me that there are greatly increasing numbers of converts.

4892. Dr. *Bowring.*] Has much information been derived from the Roman-catholic missionaries?—Not latterly. The state of persecution which existed, and the state of concealment in which they were obliged to live previously to our operations in China, prevented them from acquiring much information.

4893. Mr. *Harcourt.*] How do those missionaries acquire their knowledge of the Chinese language?—They devote themselves entirely to the people; they live amongst them, and have no intercourse with Europeans, except one or two stationed at the ports.

4894. *Chairman.*] Do they come out from Rome in some degree instructed in the Chinese language?—Some of them do.

4895. Dr. *Bowring.*] Do they adopt the Chinese language entirely?—Entirely.

4896. Have you any suggestions to make for extending our trade?—I would merely suggest that greater facilities in admitting articles the produce or manufacture of China would necessarily extend our trade. At present the value of the exports from England and India into China is about double the value of our exports from China to England and India. Our exports from China to India are very limited, not one-tenth of the value of the exports from India to China, whilst there are articles suitable for England and India obtainable from China, but the obstacles are the high tariffs of India and England. For instance, in India, upon one article of perhaps little value or importance, viz. alum, there is a duty of 10 per cent. levied; the same rate is charged on earthen or chinaware; on raw silk sent from China to Bombay there is a duty; on cassia, camphor, tea, vermilion, the duty is 10 per cent.; also on nankeens, and silk and cotton manufactures, and metals, and on all manufactured articles, the duty is five per cent.

In England the duty levied on Chinese produce and manufactures, if it does not prevent, at least seriously checks a fair trial of the trade. The silk manufactures of China would be much admired, and might be brought into consumption in England, for there are many articles which, if once seen, would certainly be in request in England. Manufactures of silk and hemp mixed, and of hemp, such as grass cloth, and of cotton, such as nankeens; also cassia, canes, japanned or lacquered ware, manufactures of metal, camphor, chinaware and other articles would be imported, if it were not for the risk of loss by the very high duty. I do not mention the duty on teas, as that has already been considered; I advocate facilities for imports from China, in return for the liberal tariff of China, and above all, with a view to bringing our merchants in contact with others besides tea and silk-men, to whom by the nature of our present trade we are restricted. The value of the articles from China which England and India might take off, by a reduction of the tariffs of the two countries, would be no measure of the value of this intercourse, as it would give our merchants access to, and communication with, the innumerable shopkeepers of China, and thus afford the means of bringing into more general and extended consumption the manufactures of England, at present limited to the channels of two classes of traders, silk and tea men, who at the Five Ports are strangers like ourselves, living separate from the rest of the local

local inhabitants. The only new articles of commerce which the opening of the Five Ports have brought to notice, are hemp, or China grass, raw silk of various qualities, and the wild silk, vegetable tallow, vegetable wax, or white wax, and drugs of various descriptions. The importations of these have not been as yet sufficiently extensive to admit of any opinion being formed as to their further import. One important point for favourable consideration is this, viz. whether, as, excepting from tea, the Customs revenue from all other articles imported from China into England and India is so trifling, the whole of the duties could not be removed from all other imports, and thus allow a trade to be fully developed. I advocate this measure as tending to promote our commercial relations with two countries, India and China, which already employ, and that in the most efficient mode, in the long voyage, a very considerable proportion of our ships and sailors, and actually take off nearly one-fifth of the total value of all exports from, and about one-fourth of the value of the cotton manufactures of, Great Britain.

4897. Do openings seem to offer themselves with reference to the Indian Archipelago, as connected with China?—It is remarkable how little advantage the direct trade between Singapore and China has produced. The junks at present appear to bring in the Straits produce to more advantage than it can be brought in by our English merchants; it is one of those anomalies which I do not think is capable of being explained, but our merchants have not been successful in their importations into China of Straits produce.

4898. Is Straits produce generally desired in all parts of China, in the north as well as in the south?—Chiefly in the northern parts of China, Ningpo and Shang-hai; they take off a considerable quantity of Straits produce.

4899. Is Borneo likely to afford considerable facilities for commerce?—I have great hopes of Borneo. The island is a rich island, and it is the centre of other islands; and if Borneo is fully opened, I have no doubt many articles will be brought from thence.

4900. Dr. *Bowring.*] Have the people who trade in the junks shown any disposition to traffic in European merchandize?—There is a considerable quantity taken from Shang-hai to the northern ports of China, to Shantung and Tiensing.

4901. Mr. *Moffatt.*] You were understood to state that you believed the statements of losses made by merchants in the China trade to be largely fallacious?—Not fallacious as to losses on the whole transaction, that I could have no means of testing, but fallacious in this respect, that the prices reported for our manufactured goods were barter prices, not cash prices. The Chinese have got a larger price, relatively, for their teas than our merchants got for their manufactures. If they had increased each in proportion, the result as to those operations would have been all right; it would not signify what prices were stated for each article, provided the relative proportions were preserved.

4902. You stated that you considered much of the loss which has been sustained to be attributable to the trade being carried on by inexperienced houses; has not the trade been carried on by the largest and most experienced houses?—I consider that the large houses have not carried on the trade to any great extent on their own account for the last two or three years; but from the information I have had, I believe that the manufactures sent from England have been, to a great extent, on account of the manufacturers themselves, frequently under advances.

4903. Mr. *Spooner.*] But sold by merchants' houses?—By merchants acting merely as agents, and those goods have been forced into the market to meet those advances; and the same system has been followed with regard to teas and silk brought from China to England, and particularly that portion on Chinese account.

4904. *Chairman.*] But such losses would not have been incurred if there had been a larger demand for the produce of China in the English market, so as to enable the parties to realize higher prices in this country?—If the higher prices in England were in due proportion greater than the prices given in China for the articles, of course the profit would have been greater.

4905. Mr. *Spooner.*] Do you believe that an increased demand for tea in England would occasion a permanent increased rise of price in China?—I conceive that would depend upon the mode in which the trade was conducted; I think if the trade was conducted with due discretion, prices in China would keep down; but undoubtedly the calculation made by the late Mr. Thom with regard to the payment to the Chinese is correct, that the quantity of cotton goods obtained by the

Capt. G. *Balfour.*

3 June 1847.

Chinese for their produce is double what they obtained 12 years ago for the same quantity, and that unless we go on lowering the cost as we have done of our own manufactures, any increased demand would, I fear, occasion a rise in the price of Chinese produce, by compelling us to give additional quantities of our goods.

4906. *Chairman.*] But whatever proportion of that increased quantity of the cotton goods of England which the Chinese people have received, is owing to the lower price of the article, of course that would have to be subtracted?—Yes; the late Mr. Thom, in giving that opinion, did not advert to the fact that cotton goods have been reduced one-half in price by the manufacturers of England, but merely that the Chinese have obtained, say double the quantity of cotton manufactures, which they formerly did.

4907. Then you must deduct half from Mr. Thom's calculation?—Yes; but whilst the English merchant has not paid more than formerly, the Chinese merchant has obtained double the quantity of cotton goods.

4908. Has not the English merchant paid less?—Certainly, as he has obtained double the actual quantity of goods for the same money; but double the quantity formerly given is now received by the Chinese.

4909. Dr. *Bowring.*] Are you of opinion that before Sir Henry Pottinger's treaty the trade between England and China was mainly carried on for merchants' or for manufacturers' accounts?—I have understood from the merchants that if they were not merchants themselves, they were interested in the consignments.

4910. *Chairman.*] Have you any additional information to give the Committee upon the subject of the supply of tea which might be expected from China if the demand were considerably increased?—The only additional information is, that without being able to state the exact quantity produced, which no European can possibly do, I would add, that judging from our knowledge of the way in which silk has been exported, withdrawn from Chinese consumption, I think that any quantity of tea which we are likely to require, might certainly be taken from the native consumption.

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*Lunæ, 12° die Julii,* 1847.

MEMBERS PRESENT.

| | |
|---|---|
| Mr. Brown. | Mr. Parker. |
| Mr. Ewart. | Lord Sandon. |
| Mr. Harcourt. | Mr. Spooner. |
| Lord Jocelyn. | Sir G. Staunton. |

LORD SANDON, IN THE CHAIR.

*William Brown,* Esq. a Member of the Committee; Examined.

*W. Brown,* Esq. M. P.

12 July 1847.

4911. *Chairman.*] HAS any fact come to your knowledge showing that the system of making Hong Kong a free port has not been fully carried out?—Shortly after Sir Henry Pottinger came to this country, a ship came from the United States to take on board a cargo of British merchandize consigned to my house, with instructions to clear her out for Hong Kong. On application to the Customs they refused to permit her to clear, alleging that Hong Kong was not a free port. We then commenced correspondence with the Treasury and Sir Henry Pottinger, the result of which was the refusal of permission to clear the ship we wished for Hong Kong, and she had to proceed to Canton with her cargo. The effect of this, I apprehend, would be to deprive the merchants and residents of Hong Kong of those emoluments which would have arisen by a vessel stopping there to discharge the whole or part of her cargo, for consumption, or distribution in other parts of India, China, and the islands.

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# LIST OF APPENDIX.

No. 1.—Papers relative to the Island of Hong Kong:
Public Notices and Notifications, &c. relative to the Sale of Lands, &c. pp. 374–387
Revenue of the Colony received during the Year 1845 - - - - p. 388
Expenditure of the Colony for the Year ended 31 December 1845 - - p. 389
List of Purchasers and Prices at Land Sale, Victoria, 22 January 1844 - p. 389
Extracts of Despatches and Correspondence relative to the Sale of Lands, pp. 390–395
Report on the Tenure of Land - - - - - - - - - p. 395
Land Lease Sale, Victoria, 1 October 1846 - - - - - - - p. 431
Revenue and Expenditure, 1846 - - - - - - - - - p. 432
Estimate of Revenue for the Year ending 31 March 1848 - - - - p. 435
Estimate of Expenditure for the Year 1847–48 - - - - - p. 436
Civil Establishment for the Year 1847–48 - - - - - - - p. 439
Consular Establishment in China - - - - - - - - - p. 441

No. 2.—Papers delivered in by W. Norton, Esq.:
(1.) Population; and Consumption of Tea - - - - - - - p. 442
(2.) Varying Consumption of Tea according to Duty and Price - - - p. 443
(3.) Tea.—Probability of Increased Supply - - - - - - - p. 444
(4.) Assumed Effect on Revenue by Alteration of the Duty on Tea from 2*s.* 2½*d.* to 1*s.* per lb. - - - - - - - - - - p. 444
(5.) Present State of the Export of Cotton Manufactures to China (the Woollen is as bad), and probable Effect of Reduction of Duty on Tea to 1*s.* per lb. - - - - - - - - - - - - p. 445

No. 3.—Papers delivered in by R. M. Martin, Esq.:
(1.) Report on the Island of Hong Kong - - - - - - - - p. 445
(2.) Dissent in Council against Opium Ordinance - - - - - - p. 456
(3.) Translation of a Grant or Treaty of Privileges - - - - - - p. 457
(4.) To the King of Great Britain - - - - - - - - - p. 457
(5.) Treaty between the King of Siam and the East India Company - - p. 458
(5*a*.) Treaty between the King of Siam and the United States of America - p. 461
(6.) Trade between Singapore and China, for 10 Years; Quantities and Values p. 462
(7.) Trade with China and Bengal - - - - - - - - - p. 468
(8.) Trade between Bombay and China, from 1838 to 1843–44 - - - p. 472
(9.) Report on the Tea Trade - - - - - - - - - - p. 482
(10.) Quantity of Tea Imported from China into the United Kingdom, since the Year 1669 - - - - - - - - - - - - - p. 501

No. 4.—A Table showing the laying down Prices in London of 1 lb. of Tea, costing in China from 10 Taels to 85 Taels per Pecul of 133 ⅓ d lbs. to the Pecul, including Merchants' Commission in China, &c., 1 per cent. Broker's Commission in London, Management Rates and Warehousing Charges, Insurance 2½ per cent., and Freight at 5*l.* per Ton - - - - - - - - - - - - - - p. 504

No. 5.—Cost of Tea and Silk as Returns from China, including Commission, Shipping Expenses, Freight (Tea at 4 *l.* and Silk at 5*l.* per Ton of 50 Feet), Insurance, Landing Charges, Brokerage and Commission on Sale, and allowing for an Average Loss in Weight, p. 505

No. 6.—Petition of British Subjects relative to the present position of British Interests in China, p. 505

No. 7.—Imports into the United States from China, from 1 July 1845 to 30 June 1846 - p. 508
Exports from the United States to China from 1 July to 30 June 1846 - p. 509

No. 8.—Papers delivered in by Mr. Prideaux:
Statement of the Export Trade to China, from the Presidencies of Bengal, Fort St. George, and Bombay; the two former from 1833–34 to 1844–45, and the latter from 1833–34 to 1845–46 inclusive - - - - - - - - p. 510
Statement of the Import Trade from China, at the Presidencies of Bengal, Fort St. George, and Bombay; the two former from 1833–34 to 1844–45, and the latter from 1833–34 to 1845–46 inclusive - - - - - - - - p. 516

No. 9.—The Navigation of the China Sea by Captain Collinson, R. N. - - - - p. 521

No. 10.—A Draft of an Instruction for the Guidance of Lord Napier, in his Judicial Capacity as Chief Superintendent in China; prepared by the Right Honourable Sir Alexander Johnston, and submitted by him to the then Secretary of State for Foreign Affairs, p. 526

# APPENDIX.

## Appendix, No. 1.

## PAPERS RELATIVE TO THE ISLAND OF HONG KONG.

### PUBLIC NOTICE AND DECLARATION.

Appendix, No. 1.

Lands at Hong Kong.

THE following Notice is published for general information; but the necessary particulars not having yet been obtained regarding the portions of land already surveyed, the blanks relating to the number and extent of allotments, and period of sale, cannot yet be filled up.

ARRANGEMENTS having been made for the permanent occupation of the island of Hong Kong, it has become necessary to declare the principles and conditions upon which allotments of land will be made, pending Her Majesty's further pleasure.

With a view to the reservation to the Crown of as extensive a control over the lands as may be compatible with the immediate progress of the establishment, it is now declared, that the number of allotments to be disposed of from time to time, will be regulated with due regard to the actual public wants.

It will be a condition of each title, that a building of a certain value, hereafter to be fixed, must be erected within a reasonable period of time, on the allotments; and there will be a general reservation of all Her Majesty's rights.

Pending Her Majesty's further pleasure, the lands will be allotted according to the principles and practice of British law, upon the tenure of quit-rent to the Crown.

Each allotment to be put up at a public auction, at a certain upset rate of quit rent, and to be disposed of to the highest bidder. But it is engaged, upon the part of Her Majesty's Government, that persons taking land upon these terms, shall have the privilege of purchasing in freehold (if that tenure shall hereafter be offered by Her Majesty's Government), or of continuing to hold upon the original quit-rent, if that condition be better liked.

All arrangements with natives for the cession of lands in cultivation, or substantially built upon, to be made only through an officer deputed by the government of the island; and no title will be valid and no occupancy respected, unless the person claiming shall hold under an instrument granted by the government of the island, of which due registry must be made in the government office.

It is distinctly to be understood, that all natives in the actual occupancy of lands in cultivation or substantially built upon, will be constrained to establish their rights to the satisfaction of the land officer, and to take out titles, and have the same duly registered.

In order to accelerate the establishment, notice is hereby given that a sale of town allotments, having a water frontage of yards, and running back yards, will take place at Macao on the instant, by which time it is hoped plans exhibiting the water front of the town will be prepared.

Persons purchasing town lots, will be entitled to purchase suburban or county lots, of square acres each, and will be permitted for the present to choose their own sites, subject to the approval of the government of the island.

No run of water to be diverted from its course without permission of the government.

Macao, 1 May 1841. (signed) *Charles Elliot.*

(True copy.)

(signed) *J. Robert Morrison,*

Macao, 1 May 1841. Acting Secretary and Treasurer to Superintendents.

### NOTIFICATIONS by Governor as to Sales of LAND at *Hong Kong.*

Gentlemen, Macao, 17 June 1841.

HAVING had under my consideration the particulars of the first sales of lots in Hong Kong, on the 14th instant, I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of my purpose, to move Her Majesty's Government, either to pass the lands in fee simple for one or two years' purchase at the late rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain.

My

My own object respecting the disposal of lands pending the pleasure of Her Majesty's Government, was to secure to firms and all other persons (British or foreigners) having permanent interests in the country, sufficient space for their necessities, at moderate rates, with as little competition as might enable parties to accommodate themselves according to their respective wants. I feel assured, upon attentive reflection, that steady adherence to this rule will be found most conducive to the well-understood interests of the establishment, and to the fair claims of persons upon the spot; parties falling within the description I have specified, not yet supplied with lots, will soon be in a situation to accommodate themselves.

May I request you, gentlemen, to circulate this letter.

I have, &c.
(signed) *Charles Elliot,*
Chief Superintendent, charged with the Government of Hong Kong.

To Messrs. Jardine, Matheson & Co., and Dent & Co.

## PUBLIC NOTICE.

NOTICE is hereby given that a sale of the annual rate of quit-rent of 100 lots of land, having water frontage, will take place at Hong Kong, on Saturday the 12th instant, at 10 a.m., as also of 100 town or suburban lots. The dimensions of the respective lots will be specified and defined on the spot, by the commanding officer of engineers, to whom parties are referred for further particulars.

The titles will be delivered on payment of the rent, and the minimum value of the buildings to be erected on the lots, and the period allowed for erection, will also be then declared.

(signed) *Charles Elliot,*
Chief Superintendent, charged with the Government of Hong Kong.

Macao, 7 June 1841.

## NOTIFICATION.

25 June 1841.

AGREEABLY to Public Notice, of date the 7th instant, a sale by auction of the annual quit-rent of lands deferred from the 12th to the 14th instant, took place at Hong Kong on the latter day. Intending purchasers having assembled on the ground, the following terms of sale were read, and the lots were then severally put up to sale, and knocked down to the highest bidders, as by the subjoined list.

*Terms of Sale.*

1. Upon a careful examination of the ground, it has been found impossible to put up the number of lots named in the Government advertisement of the 7th instant, and only 50 lots, having sea frontage of 100 feet each, can at present be offered for sale. These lots will all be on the seaward side of the road. Lots on the land side of it, and hill and suburban lots in general, it will yet require some time to make out.

2. Each lot will have a sea frontage of 100 feet, nearly. The depth from the sea to the road will necessarily vary considerably. The actual extent of each lot, as nearly as it has been possible to ascertain it, will be declared on the ground, and parties will also have the opportunity of observing the extent for themselves.

3. The buildings are to be for annual rate of quit-rent, and shall be made in pounds sterling; the dollar in all payments to be computed at the rate of 4 *s.* 4 *d.* The upset price will be 10 *l.* for each lot; the bidding to advance by 10 *s.*

4. Each lot having been knocked down to the highest bidder, he will receive an acknowledgment that he is the purchaser of the lot; and this acknowledgment will be exchanged for a more formal title, as soon as the precise measurement and registration of the lots shall be completed.

5. Upon delivery of the titles, the purchasers will be called on to pay the rent for the first year, reckoning from the date of sale.

6. They will also be required to erect upon each lot a building of the appraised value of 1,000 dollars, or to incur upon the land an outlay to that amount, within a period of six months from the date of sale. As security for the performance of this engagement, a deposit of 500 dollars shall be paid into the hands of the treasurer to the superintendent within one week from the day of sale, the deposit repayable as soon as an equal amount shall have been expended. Non-compliance with these terms will incur forfeiture of the deposit and allotment.

(signed) *J. Robt. Morrison,*
Acting Secretary and Treasurer to the Superintendents of Trade.

Appendix, No. 1.

Lands at Hong Kong.

| LOTS. | DIMENSIONS. | KNOCKED DOWN TO. | PRICE. | |
|---|---|---|---|---|
| | | | £. s. d. | |
| 1 to 2 - | About 6,700 square feet | Gribble, Hughes & Co. - - | 80 – – | |
| 2 „ 3 - | „ 7,000 „ | Lindsay & Co. - - - | 80 – – | |
| 3 „ 4 - | „ 7,800 „ | Dent & Co. - - - - | 64 – – | |
| 4 „ 5 - | „ 6,900 „ | - Ditto - - - - | 65 10 – | |
| 5 „ 6 - | „ 5,400 „ | Dababhoy Rustomjee - - | 50 – – | |
| 6 „ 7 - | „ 6,300 „ | Hooker & Lane - - - | 43 – – | |
| 7 „ 8 - | „ 7,500 „ | Prestonjee Cowasjee - - | 50 – – | |
| 8 „ 9 - | „ 8,100 „ | Dirom & Co. - - - | 57 – – | |
| 9 „ 10 - | „ 8,400 „ | Reserved. | | |
| 10 „ 11 - | „ 9,600 „ | H. Restomjee - - - | 52 – – | |
| 11 „ 12 - | „ 11,200 „ | H. Restomjee - - - | 52 – – | |
| 12 „ 13 - | „ 10,600 „ | Halliday & Co. - - - | 38 10 – | |
| 13 „ 14 - | „ 10,800 „ | W. & F. Gemmell & Co. - | 32 10 – | |
| 14 „ 15 - | „ 15,000 „ | Fergusson, Leighton & Co. - | 21 – – | |
| 15 „ 16 - | „ 15,900 „ | Robert Webster - - - | 20 – – | |
| 16 „ 17 - | | | | |
| 17 „ 18 - | | | | |
| 18 „ 19 - | - - - - | Reserved. | | |
| 19 „ 20 - | | | | |
| 20 „ 21 - | „ 16,200 „ | D. Rustonjee - - - - | 111 – – | |
| 21 „ 22 - | „ 14,400 „ | James Fletcher & Co. - - | 150 – – | |
| 22 „ 23 - | „ 12,700 „ | W. & F. Gemmell & Co. - | 140 – – | |
| 23 „ 24 - | „ 11,800 „ | Reserved. | | |
| 24 „ 25 - | „ 15,200 „ | H. Rustonjee - - - | 160 – – | Offered to be re-purchased. |
| 25 „ 26 - | - - - - - | Reserved. | — | |
| 26 „ 27 - | „ 18,000 „ | J. Matheson & Co. - - | 150 – – | |
| 27 „ 28 - | „ 17,300 „ | - - Ditto - - - - | 185 – – | |
| 28 „ 29 - | „ 21,850 „ | - - Ditto - - - - | 230 – – | |
| 29 „ 30 - | — | — | — | |
| 30 „ 31 - | „ 4,644 „ | R. Gully - - - - | 35 – – | |
| 32 „ 33 - | „ 8,755 „ | Jameison & How - - - | 60 – – | |
| 33 „ 34 - | „ 8,000 „ | John Smith - - - - | 57 – – | |
| 34 „ 35 - | „ 9,600 „ | - Ditto - - - - | 67 – – | |
| 36 „ 37 - | „ 4,600 „ | Famjee Jamsetjee - - - | 25 – – | |
| 38 „ 39 - | „ 7,616 „ | Charles Hart - - - | 57 – – | |
| 40 „ 41 - | „ 6,000 „ | Macvicar & Co. - - - | 75 – – | |
| 41 „ 42 - | „ 9,700 „ | - - Ditto - - - - | 95 – – | |
| 42 „ 43 - | „ 11,500 „ | Fox, Rawson & Co. - - | 100 – – | |
| 43 „ 44 - | „ 65,500 „ | Turner & Co. - - - | 150 – – | |
| 44 „ 45 - | - - - - - | Reserved. | | |
| 45 „ 46 - | - - - - - | Ditto. | | |
| 46 „ 47 - | „ 30,600 „ | Captain Larkins - - - | 265 – – | |
| 47 „ 48 - | „ 35,000 „ | P. F. Robertson - - | 250 – – | |
| 49 „ 50 - | - - - - - | Not sold. | — | |
| 51 - - | - - - - - | Captain Morgan - - - | 205 – – | |

Lands at Hong Kong.

Government Hill, Hong Kong, 12 September 1841.

UNTIL Her Majesty's further pleasure is known, the following regulations in respect to land on the island of Hong Kong will be observed by the land officer. It is to be clearly understood, however, that these regulations do in no way apply to the land disposed of on the 14th June 1841.

1st. The land will be divided into three classes, which shall be designated marine lots, town lots, and suburban lots.

2d. The marine lots will have a sea frontage, to commence from high-water mark, and will in no case extend further back than 200 feet from that.

The rate of 1 *l.* sterling annual quit-rent must be paid for 129 square feet of the land coming under this class.

3d. There shall be certain parts of the island exclusively kept for town lots, and an annual quit-rent, at the rate of 20 *l.* the square acre, is fixed for the same.

4th. The suburban lots shall be those that do not come within the two foregoing regulations; and the annual rent fixed for the same is 2 *l.* a square acre for the period of 100 years; they must not exceed five acres in extent.

5th. Persons occupying the lots of 40 feet by 20 feet, alluded to in the regulations for the bazaar, under date September 1841, shall pay an annual quit-rent of 1 *l.* sterling for the same.

6th. The land officer is required to see these regulations complied with, and will decide on the portions of the island to be set aside for town lots.

7th. Persons taking land according to these regulations must understand that a deposit of 100 *l.* sterling is required from them on the receipt of their title deed, signed by the land officer, which will be forfeited, should, in 12 months, a building of the appraised value of 200 *l.*, not be erected thereon.

The marine lots and town lots will be grants in perpetuity; the suburban lots will be grants for 100 years.

(signed) *A. R. Johnston.*

(True copy.)
(signed) *Richard Woosnam.*

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## MEMORANDUM.

HAVING reference to certain regulations, under date 12th September 1841, respecting land at Hong Kong, it was now my object to explain the motives with which they were framed.

There are, on the whole island of Hong Kong, not more than 40 square miles of land, and around it, on nearly two-thirds of its coast, vessels may anchor at one season or another with perfect safety. There are several small bays, that will, doubtless, in time, become very flourishing ports, and as these bays are generally at the termination of the only valleys that are at all suited for the site of sea-port towns, the object of my first regulation will be perceived; the marine lots will have a value far superior to any other; the town lots will have no inconsiderable value; and the suburban lots will, probably, in the lapse of time, have their value greatly enhanced.

In Regulation 2, the space of 200 feet from high-water mark is made the maximum distance they are allowed to encroach on the island, because, from my own observation, I have perceived the public road round the island will, in few instances, be required to go further off from the sea than that distance, while in many instances it must go nearer.

The rate of 1 *l.* per 129 square feet is the average price fetched by the same class of land which was disposed of on the 14th June, and it would not be judicious to undersell that land, as it is to be presumed the settlement made by the proper persons appointed to decide the tenure of land will apply to both equally.

From personal observation I am enabled to say that at Hong Kong, at Cheek Chum, at Wang-mechong, and at Cheek Bywan, may be found places more or less large, that should be reserved for town lots, and, according to these regulations, they will be laid out by the land officer.

The suburban lots it is desirable should be larger than the town lots, and suitable for gardens and orchards, as well as for residences.

Regulation 5, applies to those persons who, against every obstacle, settled down at Hong Kong, and have on various occasions supplied the fleet when it could not otherwise obtain provision. At the time the regulations were made relative to them, it was intended

Appendix, No. 1.

Lands at Hong Kong.

that they should be rewarded by having their land somewhat cheaper than land of similar class at other places.

As the land officer acts under my directions, I am responsible for the laying out of town lots, &c.

(signed) *A. R. Johnston.*

(True copy.)

(signed) *Richard Woosnam.*

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## GOVERNMENT NOTIFICATION.

THE attention of persons who purchased land at the public sale on the 4th of June last is called to the sixth paragraph of the terms of that sale, and they are now reminded that non-compliance with these terms will incur forfeiture of the deposit and allotment.

(signed) *A. R. Johnston,*
Deputy Superintendent charged with the Government of the Island of Hong Kong.

Hong Kong, 20 Nov. 1841.

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THE annexed Notification is published for general information.

(By order.)

(signed) *J. Robt Morrison,*
Acting Secretary and Treasurer.

Hong Kong, 23 March 1842.

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## NOTIFICATION.

HIS Excellency Sir Henry Pottinger, bart., Her Britannic Majesty's Plenipotentiary, &c., deems it expedient to intimate to all persons interested in the subject, that it is his intention to appoint very shortly a committee, consisting of not less than three members, to investigate any claim that may yet be pending regarding allotted locations of ground of whatever description, and to finally define and mark off the limits of all locations that have yet been sold or granted upon any other terms.

The committee will likewise definitely fix the direction, breadth, &c. &c. of the Queen's, and all other existing public roads within the settlement, and will be empowered to order the immediate removal of any encroachments that may be found to have been unauthorizedly made upon them, the expense of such removals being chargeable to the individuals to whom the locations in which they have been made belong.

The committee will further be instructed to turn its attention to the examination of the best points for laying down new lines of roads beyond those that have already been marked off, with a view of providing locations to meet the demands for them that may be expected from the rapidly-increasing population of the colony, both European and native; and any suggestions that individuals may wish to offer on this part of the committee's proceedings will receive from it the fullest consideration; but it is at the same time expressly notified, that no purchases of ground by private persons from the natives formerly or now in possession will be recognised or confirmed, unless the previous sanction of the constituted authorities shall have been obtained, it being the basis of the footing on which the island of Hong Kong has been taken possession of, and is to be held pending the Queen's royal and gracious commands, that the proprietory of the soil is vested in, and appertains solely to the Crown. On the same principle the reclaiming of land beyond high-water mark must be deemed an infringement on the royalties of Her Majesty, and it is therefore positively prohibited by any private persons.

God save the Queen of England!

(signed) *Henry Pottinger.*

Dated at Hong Kong, Government House,
this 22d day of March 1842.

(True copy.)

(signed) *J. Robt Morrison,*
Acting Secretary and Treasurer.

## NOTIFICATION.

WITH reference to the Notification, dated on the 22d instant, the following gentlemen are appointed a committee to carry into effect the objects therein described.

| | |
|---|---|
| With the sanction of Major-general Burrell, C. B. - - - - - | Major Malcolm,<br>Captain Meik, Her Majesty's 49th Foot.<br>Lieutenant Sargent.<br>R. Woosnam, esq. |
| With the sanction of Captain Sir Thomas Herbert, K. C. B. - - | Mr. Pasco, Second Master of Her Majesty's ship Blenheim. |

Captain Mylius, land officer, will attend the committee for the purpose of giving effect to its proceedings by laying down the necessary landmarks, boundaries, roads, &c. &c.

The committee will report to Government any cases in which they are of opinion that the native Chinese should be remunerated for ground which was in their possession previous to the occupation of the island by Her Majesty's forces, and which may have been appropriated, as well as the amount of remuneration.

The Committee will select the most eligible spots for public landing places; will define the limits of the cantonments or locations for officers, near the different barracks; will likewise fix the extent of ground to be reserved for the naval depôt, and for dock-yards, including spots for one or more patent slips, which it is understood are likely to be erected by companies or individuals.

It being the intention of Government to form a watering place for the shipping hereafter, the committee will select the most eligible spot, with a running stream of good water for that purpose.

(signed) *Henry Pottinger,*
Her Majesty's Plenipotentiary, &c.

Dated at Hong Kong, Government House,
this 29th day of March 1842.

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## NOTIFICATION.

WITH a view to the prevention of future misunderstanding and difficulties, His Excellency Sir Henry Pottinger, Bart., is pleased to direct that no sales of land are to be made by the holders of grants to other parties, except with the knowledge of the land officer; and that any sales that may have been made, or may be made in future, unless registered in the Land Office, shall be held to be invalid.

Purchasers of grants from the individuals, before holding them, are to understand distinctly that they will come under the same liabilities to Government as the parties from whom they purchase.

(By order.)
(signed) *Geo. F. Mylius,*
Land Officer.

Land Office, Hong Kong,
2 May 1842.

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## NOTIFICATION.

THE house built for Mr. Parkinson, superintendent of roads, having reverted to Government, in consequence of the abolition of his appointment, it will be sold by public auction at the Victoria Tavern, on the evening of the 16th instant, at half-past five o'clock, with a lot of ground attached thereto, not exceeding three acres.

It is to be understood that the house alone is to be sold, and that the ground will hereafter come under any regulations or orders that Her Majesty's Government may be pleased to lay down for similar lots. Terms, payment in three days after the sale.

(By order.)
(signed) *Charles E. Stewart,*
Assistant-Secretary and Treasurer.

Government House, Hong Kong,
3 June 1842.

Appendix, No. 1.

Lands at Hong Kong.

## NOTIFICATION.

WITH reference to the notification of the 17th instant, abolishing the situation of land officer, &c. &c., it is hereby notified, that Mr. Edward Glascot Reynolds is appointed "land and road inspector," from the 1st proximo.

The annexed extracts of instructions issued to Mr. Reynolds are published for general information.

(By order.)

Government House, Hong Kong,
27 May 1842.

(signed) *J. Robert Morrison,*
Acting Secretary and Treasurer.

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### EXTRACT OF INSTRUCTIONS.

As the existing prohibition against further grants of land is to continue in full force, pending the receipt of commands from Her Majesty's Government, it will not even be necessary for you to bring any applications on that subject to the notice of the deputy superintendent, who will be charged with the civil government of the island, during the absence of His Excellency Sir Henry Pottinger, Bart.

You are to take the utmost care to prevent any encroachments on the unappropriated lands in any part of the island, or on the roads, whether completed or now in progress, and should anything of the kind come to your knowledge, you will, whatever may be the plea or pretence assigned, instantly stop the work, and report the circumstance to the deputy superintendent.

Ground will probably, however, be required for the erection of barracks, and other military buildings on different parts of the island, and regarding it you will receive directions from the deputy superintendent.

Your chief duty, and that of the establishment placed under you, will be to see that the roads, bridges, and drains are kept in perfect order; that the unfinished contracts regarding them are strictly and well fulfilled; that the public watering-places and jetties, and likewise the government market-place are preserved from damage, and are kept clean, and in a fit state for the uses for which they are designed; and that no nuisances of any sort are permitted on the roads or in the streets. Should any such come under your observation, you are to report the same instantly to the deputy superintendent and the chief magistrate, who will take the necessary steps, through the police, to abate them.

You will register in your office all sales and transfers of land, in conformity with the notification issued by the land officer on the 2d, and published in the "Friend of China and Hong Kong Gazette" of the 5th instant.

(True extract.)

(signed) *J. Robert Morrison,*
Acting Secretary and Treasurer.

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## GOVERNMENT NOTIFICATION.

IN consequence of instructions recently received from Her Majesty's Government, and until defined regulations can be framed and promulgated, grounded upon those instructions, his Excellency Sir Henry Pottinger, Bart., G.C.B., &c. &c., is pleased to notify as follows:—

1. All persons holding land of any denomination on the island of Hong Kong, are hereby required to send in the fullest explanations, as well as the proofs they possess, of their claims to such land, to the land officer, with the least possible delay.

2. The land officer has been authorized and instructed to prevent the commencement of any further building upon or clearing away of locations, until final arrangements can be made.

3. The land officer has also been authorized and instructed to take summary measures, in concert with the chief magistrate, to put a stop to all buildings that may be in progress on locations, of whatever denomination, where the explanation or proofs submitted may appear to him to be at variance with his present instructions; and also in cases where the explanation and proofs now called for may be delayed beyond a reasonable time.

4. The land officer has further been authorized and instructed to summarily prevent the progress of all buildings on locations which may, in his opinion, encroach on the present or any future line of roads or streets, and to oblige all persons to confine themselves to the exact dimension of the lots which were originally allotted to them.

5. It

5. It has been repeatedly intimated that the terms and tenure of holding all lands on island of Hong Kong were to depend solely on the pleasure and commands of Her Majesty's Government, and the information called for in this Notification is required before such terms and tenure can be announced to the public.

(By order.)

Hong Kong, Government House, 10 April 1843. (signed) *Richard Woosnam.*

## GOVERNMENT NOTIFICATION.

With reference to the Government Notification, published in the "Friend of China and Hong Kong Gazette" of the 13th and 20th of last month, it is hereby announced, that the land officer has been instructed to report, finally, on the subject of that Notification, on Saturday, the 27th day of May, and that any lands, regarding which he may not have received explanations, &c. before that day, will be resumed.

In cases where such lands have buildings of any description, or materials on them, the owners of such buildings or materials will be called on to remove them, or that will be done by the land officer at the expense and risk of the owners.

(By order.)

Government House, Hong Kong, 16 May 1843. (signed) *Richard Woosnam.*

## GOVERNMENT NOTIFICATION.

His Excellency the Governor having had under his careful consideration the instructions which have been received from Her Majesty's Government on the subject of Crown lands in this colony, is pleased to publish the following extracts of a despatch from Her Majesty's Principal Secretary of State for the Colonies:—

"Sir Henry Pottinger is to abstain from alienating any of the land on the island, either in perpetuity, or for any time of greater length than may be necessary to induce and enable the tenants to erect substantial buildings, &c.

"But with the general prohibition against the alienation of Crown lands, and with the general refusal to sanction any such grants as may have already been made, Lord Stanley would connect a promise, that immediately on the establishment of a regular government in the place, an inquiry should be instituted by some competent and impartial authority, into the equitable claims of all holders of land, to a confirmation, either permanent or temporary, of their titles, so far as they could be confirmed consistently with a just regard to the interests of society at large."

With advertence to the principle laid down in the above extracts, it will be understood that Her Majesty's Government do not recognise the validity of any grants or sales of land that may have been made, or may have taken place under any authority whatsoever previous to the exchange of the ratifications of the treaty, upon which event the island of Hong Kong became a *bonâ fide* possession of the British Crown, and from which day the payment of rents, derivable from such land, will only be held to commence.

In obedience to the intimation conveyed in one of the preceding extracts, his Excellency the Governor in Council is pleased to appoint A. T. Gordon, Esq. land officer, &c., Captain De Havilland, Her Majesty's 55th Regiment, assistant surveyor, and Charles Edward Stewart, Esq. treasurer and financial secretary to Government, to be a committee, assisted by Richard Burgess, Esq. legal adviser to Government, to inquire into the equitable claims of all holders of lands; to define the classes to which particular lots shall henceforward belong, as well as their future annual rent; and to arrange for the disposal of further lots, regarding which Her Majesty's Instructions prescribe: "and it is Our further will and pleasure, that no such lands shall be sold or let, except at public auction; and that at every such auction the lands to be then sold or let be put up at a reserved or minimum price, equal to the fair reasonable price and value, or annual rent thereof."

By order of his Excellency the Governor and Commander-in-Chief of Hong Kong,

(signed) *Richard Woosnam,*
Officiating Deputy Colonial Secretary.

Government House, Victoria, Hong Kong, 21 August 1843.

Appendix, No. 1.

Lands at Hong Kong.

## GOVERNMENT NOTIFICATIONS.

It is hereby notified, that leases for all lots and parcels of Crown lands, hitherto allotted in this colony under the denomination of Marine and Town Lots (with the exception of those that have been specially reserved, as already intimated to the holders of them, pending the receipt of an answer to a reference which has been made to Her Majesty's Government, will be ready for delivery to the purchasers or present incumbents on and after Monday the 15th day of January 1844; and all persons wishing for or requiring information regarding such lots and parcels, as well as the terms and tenure on which they are to be confirmed, are requested to apply to Alexander T. Gordon, esq. land officer, on any day subsequent to the 1st of January 1844.

By order of his Excellency the Governor and Commander-in-Chief of Hong Kong and its dependencies.

(signed) *Richard Woosnam.*

Government House, Victoria, Hong Kong,
12 December 1843.

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It is hereby notified that a public auction of leases will be held at the Land-office, on Monday the 22d day of January 1844.

The whole of the lots or parcels to be disposed of will be town lots, situated on the south side of the Queen's Road, between the Harbour-master's Hill and the centre police station.

The lots will be marked out on the ground previous to the day of sale, and a plan showing the lines of the proposed streets, the position and size of the lots or parcels to be sold, &c. &c., may be seen at the Land-office on any day after Monday the 8th of January 1844.

The class of building which must be erected on each lot, and all other particulars, may be ascertained on application to the land officer 14 days previous to the sale, and the lease will be delivered to the purchasers within one month from the day of sale.

By order of his Excellency the Governor and Commander-in-Chief of Hong Kong and its dependencies.

(signed) *Richard Woosnam.*

*N. B.*—The sale to commence at 11 A. M.

Government House, Victoria, Hong Kong,
12 December 1843.

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## GOVERNMENT NOTIFICATION.

TABLE of Fees to be taken in the Land-Office at *Hong Kong*.

Preparing any lease or grant, 10 per cent. on the amount of annual rental.

Affixing public seal thereto, 5 per cent. on ditto.

Registering any assignment, mortgage, or other alienation, 5 per cent. on ditto.

Every certificate, five dollars.

Every search, one dollar.

Copy of any document per folio of 80 words, 25 cents.

(signed) *R. Burgass.*
*A. T. Gordon.*
*C. St. George Cleverly.*
*C. E. Stewart.*

Land Office, Victoria, Hong Kong,
13 January 1844.

Approved in Council, 7 January 1844.

(signed) *R. Burgass,*
Clerk of the Council.

## GOVERNMENT NOTIFICATION.

Owing to unavoidable circumstances, the leases of Crown lands in this colony will not be ready for delivery until Monday the 22d instant.

(By order.)

Government House, Victoria, Hong Kong, 15 January 1844. (signed) *Richard Woosnam.*

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## GOVERNMENT NOTIFICATION.

It is hereby notified, that a public sale of leases of Crown lands will be held at the Land-office on Tuesday the 9th of July next, at noon.

The lots, marine and inland, will be marked out on the ground 14 days prior to the day of sale, and maps, showing their position and size, may be seen at the Land-office after the 16th instant.

The form of lease can be seen upon application at the Land-office; and in addition to the stipulations contained therein, the lessee is required to pay down, at the time of purchase, a deposit of 10 per cent. upon the reserved yearly rent, which will commence from the date of sale.

The lease must be taken out, and the fees paid within six months from that time, or the deposit will be forfeited for non-compliance with these terms.

(By order.)

Government House, Victoria, Hong Kong, 1 July 1844. (signed) *Frederick W. A. Bruce,* Colonial Secretary.

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TO His Excellency *J. F. Davis,* Esq., Governor of Hong Kong, &c. &c. &c.

Sir,

We have the honour to forward to your Excellency herewith, a memorial addressed to the Right Hon. Lord Stanley, Her Majesty's Secretary of State for the Colonies; and we beg to request your Excellency will be pleased to have the same forwarded by the mail of the 1st September.

And we trust, that under the circumstances stated in that memorial, your Excellency will see fit to direct the suspension of Ordnance No. 2, pending the receipt of a reply from Her Majesty's Government.

We have, &c.

Jardine, Matheson & Co.
Dent & Co.
Macvicar & Co.
Fox, Rawson & Co.
Turner & Co.
Lindsay & Co.
Gibb, Livingston & Co.
Jamieson, How & Co.
W. and T. Gemmell & Co.
Fletcher & Co.
*per pro.* Murrow & Co., Charles W. Murray.
Thomas, Ripley & Co.
Dirom, Grey & Co.
Holliday, Wise & Co.
Richard Oswald & Co.
Robert Strachan.
Hughesdon & Co.
Geo. R. Barton, M. D.
N. Duus.
Burd, Lange & Co.
John Cairns.
Henry Holgate.
Martin Ford & Co.
L. Just, sen.
L. Just, jun.
D. Lapraik.
J. D. Porter.
George Duddell.
J. Palmer.
Charles W. Bowra.
Samuel John Cook.

Victoria, 13th August 1845.

Appendix, No. 1.

Lands at Hong Kong.

The Right Hon. Lord *Stanley*, Her Majesty's Principal Secretary of State for the Colonies, &c. &c. &c.

My Lord,

THE period has at length arrived when, as owners of land and property at Hong Kong, we can no longer refrain from addressing ourselves direct to Her Majesty's Government, in the confident hope, that a plain statement of facts will induce Her Majesty's advisers to sanction a material modification of the system which has hitherto been in operation occasioning results alike injurious to the interests of the mercantile community, and the real and essential interests of the settlement.

It will scarcely be necessary for us, in the first place, to submit, that shortly after the island was first ceded, and taken possession of by Her Majesty's Plenipotentiary in China, in the early part of 1841, a public sale was held, at which it was stipulated, that the "terms and tenure of all property, would hereafter be defined by Her Majesty's Government."

But in a letter of Her Majesty's Plenipotentiary, dated 17th June 1841, a copy of which is hereunto annexed, an expectation was held out, that the lands would be granted in fee simple, for one or two years' purchase, at the rates paid at the public sale; or that they should be charged only with a nominal quit-rent, if that form of tenure continued to obtain.

This suggestion on the part of Her Majesty's Plenipotentiary, originated in the well known fact, that the very limited quantity of ground available for building purposes, on the proposed site of the present town of Victoria, was the occasion of great competition, and the eventual payment of a scale of rent, which that officer naturally and truly apprehended, would, if enforced, be detrimental to the progress and prosperity of the settlement.

During the time which intervened between the occupation of the island by Her Majesty's Government, in March 1841, and the treaty of Nankin, in June 1843, a period of upwards of two years, the local government of Hong Kong used every endeavour, both by facilities temporarily offered to early occupants of land, and the threat of penalty of forfeiture of their purchases to all who did not commence building, to induce the British merchants to remove from Macao to the new settlement; and nothing was, up to that date, said or done, to induce holders of land to apprehend, either that the promises of Her Majesty's Plenipotentiary would not be strictly fulfilled, or that they would be placed in a more unfavourable situation than parties similarly circumstanced in other British colonies.

Large sums were consequently expended in the erection of dwellings and warehouses in the new town of Victoria, to an extent which would have rendered it injurious to all, and ruinous to many, to be compelled to abandon their property; and it was not until the early part of 1843 that it was notified: "That Her Majesty's Government did not see fit to recognise sales or grants of land, that had been made by or under any authority whatsoever, up to the period of the exchange of the ratification of the treaty at Nankin."

But as Her Majesty's Government must have been well aware that the colonists had acted with perfect reliance on the good faith and justice of their Government, this order was so far qualified, and on 23d August 1843 it was notified:

"That an inquiry should be instituted into the equitable claims of all holders of land to a confirmation either permanent or temporary of their titles, so far as they could be confirmed consistently with a just regard to the interests of society at large."

In the early part of 1844 we were, for the first time, made acquainted with the terms on which the Crown lands were to be held, and Sir Henry Pottinger, then governor of the island, published the forms of the leases required to be executed.

The conditions of these leases were universally considered so unusual, and so certain in their operation to be ultimately injurious, not only to the holders of land, but to the future welfare of the colony, that we were compelled to protest most solemnly against them in a correspondence with the governor, dated in March 1844; from which correspondence we beg to subjoin the following extract:

"We may be allowed to point out to your Excellency, that an adherence on the part of Government to the proposed terms of leases would be eventually the means of placing those who first commenced improving their property in Hong Kong, and who, from the sums already expended, cannot withdraw from the occupation of their buildings without ruinous loss, on most unfavourable terms, compared with others, who have the option of resorting to places where land can be bought, or rented, on much more moderate conditions; and we submit, that it can never be the wish or intention of Her Majesty's Government to place the early occupants of lands in such a position."

No redress has however been granted; and disregarding the future prosperity of the settlement in the desire to raise a comparatively large temporary revenue, the local government has persisted in forcing unusually hard conditions on the landholders, who had been led into a large expenditure of money, owing to their faith in the promises under which the land was originally sold, (promises which were at any rate tacitly acknowledged by the Government, and not repudiated until after the lapse of three years); while at the same time it is no exaggeration to state, that had the existing regulations been promulgated before, instead of after the outlay of their funds, not one British merchant would have been found willing to become a resident in the colony.

We

Appendix, No. 1.

Lands at Hong Kong.

We have deemed it necessary and due to ourselves to enter thus at length into some account of the formation of the colony, and its progress hitherto, with the view of showing, first, the nature of the inducements under which we were led to abandon our residences at Macao and Canton, where both house rent and taxation are very light; which we may illustrate by the fact, that the ground rent alone of most of the eligible sites in Hong Kong is (without including rent or interest of money) a heavier charge than all payments, rent inclusive, required of the tenants of houses in Macao.

And secondly, to prove that the very onerous terms, on which we have been compelled to occupy our property in Hong Kong, have been forced on us, not only against our urgent remonstrances, as a question of justice and equity, but in opposition to what we have always considered and represented to be the true interests of the colony.

Since the enforcement of these leases, the measures of the existing government of the island have still further aggravated the evils under which we have been suffering, by making, in a place nominally declared to be a free port, every description of commerce and trade a subject of taxation, or source of revenue, or of monopoly sold to the highest bidders, thus driving away, instead of encouraging trade in an infant settlement: and lastly, we have now to complain of the promulgation of an ordinance, which we submit to be unconstitutional and illegal, empowering government assessors arbitrarily to value all household property, with the view of raising a new tax, ostensibly for payment of a police force, there being no municipal body of any kind in the colony to determine whether such tax be necessary, or equitably levied and appropriated.

The result of the system actually in operation for the last two years, commencing with the proceedings in land sales and leases under the administration of the first governor, and continued by the financial arrangements of his successor, is sufficiently exemplified in the present state of the colony; for owing to the heavy rents and unsatisfactory tenure of property, the continued arbitrary taxation and impediments to trade of all kinds, and the entire want of confidence, as well on the part of the foreign community in China, as of the Chinese themselves, as to the establishment of a better course of policy, there is, at this moment, after four years' occupation of the island, scarcely one foreign resident, except government officers, and those British merchants and traders who commenced building before the enforcement of the leases; there are no Chinese merchants, or even shopkeepers, with any pretension to property; there is neither an import nor export trade of any kind; and as will be seen by the public papers, even now, when many private dwellings are temporarily occupied by the civil and military offices of Government, pending the completion of the public buildings, several houses have been untenanted for months past; and the value of all property is daily on the decrease.

It is necessary to bear in mind that the trade of this part of China has long been accustomed to flow through other channels; that the island of Hong Kong has no natural productions, or consumers of imports, beyond the mere wants of the colonists themselves, and is even dependent for its daily supply of food on the main land; and that a place so circumstanced, especially in a country like China, proverbially averse to sudden change, can only be expected very gradually to acquire a trade by facilities and encouragement, instead of being subject to ceaseless and heavy taxation, charges from which places in its vicinity are moreover exempt.

We trust, therefore, we shall not be deemed presumptuous in submitting to Her Majesty's Government our urgent entreaty, that they will be pleased to direct the abolition of the opium farm, auction duties, and other harassing taxation recently imposed, which have already had the effect of deterring many Chinese from settling in the place, and driven away several who were already established, and been in fact utterly destructive of our incipient trade. If this be not conceded, many of the European residents will also be compelled to quit a place totally without commerce, but more heavily taxed in ground rents alone than any other part of China, and remove to those ports where the trade is actually carried on, abandoning properties on which many have expended their whole fortunes.

We further venture to suggest, that the system adopted in other colonies may reasonably be extended to this distant settlement; and that it is hoped Government will be pleased to authorize the formation of a municipal body, vested with the usual power of deciding on the appropriation of the monies raised for local purposes.

We cannot, in conclusion, refrain from urging, that such a settlement as Hong Kong was never actually required by the British merchants; and it has become even less so since the opening of the five Chinese ports, where the foreign residents are free from all taxation, and where the rent of land and houses is generally very moderate.

We submit, therefore, that it will be found as inexpedient in principle as, under existing circumstances, we consider it would be unjust in practice, to call on the civil part of the community for any large proportion of the expenses of a colony which is held rather as a military and naval station, giving Great Britain the command of these seas, and as the residence of a few merchants, occupied in extending British commerce along the coast of China, and keeping up an active correspondence with the rest of the world, than a place which under any circumstances can be expected to possess an extensive trade, or afford any considerable revenue towards the payment of its own expenses.

We have, &c.

(signed) *Jardine, Matheson & Co.—Dent & Co.—&c.*

Victoria, 13 August 1845.

Appendix, No. 1.

Lands at Hong Kong.

## REJOINDER TO MEMORIAL.

1. THE substantial buildings to which your letter refers, were most, or all of them, commenced many months, and some even two years since; but although Hong Kong has been nearly four years in existence, the commencement of new houses of any magnitude can no where be seen; a state of matters, we believe, without a parallel in the history of the British colonies.

2. *Reasons why any Chinese on Island.*—While the place continues the seat of government, and the head-quarters of steam communication, many English mercantile houses may find it necessary to keep up establishments here, and a small Chinese population will remain with them; but when the present government and other buildings, long since commenced, are finished, a large proportion of the present inhabitants must emigrate from a place where, from the absence of trade, they can have no occupation, while the continuance of oppressive taxation will be but too certain to prevent an increase of property or population of any kind.

3. We are unable to admit the force of the remarks of his Excellency in Council, by which it is endeavoured to justify the opium and other licensed farms, "because the same system is in existence at Singapore." It is difficult, we conceive, to find two places whose situation is more dissimilar in every respect.

4. *Difference between Hong Kong and Singapore.*—Singapore is a place where rent of land is remarkably moderate; it is the emporium of an important and valuable trade, with a large and comparatively wealthy population. Hong Kong, on the other hand, is already taxed in ground-rents alone higher than any colony in the world; it has no trade at all, and is the mere place of residence of government and its officers, with a few British merchants, and a very scanty and poor Chinese population.

5. *Effects of the Government Measures foretold.*—When Hong Kong is as able to bear taxation as Singapore, it may, in our humble judgment, be still a question whether the heavy ground-rents ought not to exempt the inhabitants from further payments; but whatever may eventually be considered expedient, we would wish to impress upon the government our belief, that oppressive burdens laid on an infant trade, and on a new colony, situated as Hong Kong now is, must inevitably be not only unjust to the early settlers, but ultimately fatal to the settlement itself.

6. We are bound, as merchants, to speak with diffidence on points of law where we find our views at variance with those of the colonial law officers; but we must still adhere to our opinion, and reassert our conviction, that Ordinance No. 2 is alike unconstitutional and illegal.

7. We quite concur with his Excellency in the wisdom of his having refused to levy a small tonnage duty in Hong Kong; for as most of the business transacted in this harbour consists in the mere transhipment of goods from one vessel to another, we are satisfied that any attempt to enforce such a charge would merely have had the effect of driving the ships to one of the adjacent anchorages without the limits of the port.

8. We also fully concur in the sound policy which has exempted wine, beer, and spirits from duty, inasmuch as any revenue which could have been derived from the limited consumption in so small a community, could not have been expected to pay the expense of collection.

9. That the civil, naval, and military servants of Government are subject to the payment of three per cent. as an income tax in Hong Kong, from which the merchants are exempt, we submit does not apply to this as a colonial question, for they are equally liable to that tax at other places, and even on the high seas.

10. It remains for us to notice the remarks of his Excellency in Council on what is termed the trade of Hong Kong.

11. The reported increase in tonnage we cannot consider any proof of extended trade, for it shows nothing more than the number of ships that have anchored in Hong Kong Bay on their way to other ports.

12. *Goods often sold at Canton deliverable outside.*—All, or nearly all, the cotton ships from India have stopped a few hours in Hong Kong before proceeding to Canton, but not a single bale of their cargoes has been landed or sold here; and the same remark may generally apply to the ships from England. But it would be as erroneous to infer from the number of inward vessels that there is an increase of trade, or indeed that there is any trade at all, as to suppose, because all the English tea-laden ships from Canton call here for their despatches, that Hong Kong is the centre of the tea trade.

13. With regard to the report of Mr. Gutzlaff, "that 120,000 pieces of cotton goods have been taken away by 13 junks this year," we are not prepared to deny that this officer may have access to sources of information of which we are deprived; but we submit that some doubt may be entertained of the authenticity of mercantile statements which appear to have eluded the observation of the whole mercantile community. We are quite satisfied

Mr.

Mr. Gutzlaff must have been convinced that such a trade really existed, but as we cannot find that his information has been derived from any of the British merchants, we are apprehensive that he has relied on the report of the Chinese junk people, a class by no means remarkable for strict adherence to corr e tness in questions of statistical detail.

14. Supposing, however, the reports to be correct, it by no means follows that such deliveries of cotton cloths can be deemed part of the trade of Hong Kong, for nothing is of more common occurrence than for the junk owners to purchase goods in Canton, deliverable outside the port, at Macao, Hong Kong, or elsewhere; and if this place did not exist, the business would be carried on at any other convenient anchorages.

15. Giving, however, the fullest measure of credit both to Mr. Gutzlaff's informants, and the inference that his Excellency in Council appears to deduce from the report, we venture to remark that if, after four years' occupation of the colony, the only trade which can be found to exist, after apparently the most diligent inquiry, is an export of 120,000 pieces of cloths, in a place possessing all the advantages of a free port, so pointedly enumerated in your letter now under reply, there is yet scarcely sufficient business transacted, or likely soon to be transacted, in the colony, as to justify heavy taxation.

16. *Tabular Statement of Trade at Hong Kong.*—The following tabular statement, taken from official returns, will show the position of the question more accurately, assuming (what as above stated we do not think it would be correct to admit) that the 120,000 pieces of cotton cloths belong to the trade of this place:

IMPORT TRADE.

Canton, for the Year 1844.

Tonnage 83,679 tons - - - - - - - - Value £. 3,883,828.

Shang-hai, for half Year, ending 30th June 1844.

Tonnage, 6,578 tons - - - - - - - - Value £. 442.757.

Hong Kong, half Year, ending 30th June 1844.

Tonnage 62,264.

YEAR'S TRADE.

120,000 pieces cloths, say at 10*s*. - - - - - - - - £. 60,000.

17. In conclusion, while expressing our sense of the courtesy of his Excellency in Council, in furnishing us with the remarks in question on our memorial, we cannot but again lament that the existing Government appears resolved to disregard the deliberate opinions of the whole mercantile community, and sacrifice to a fallacious appearance of present prosperity the just claims of the colonists and the real interests of the settlement.

We have, &c.

*A. Matheson,*
*George T. Braine,*
*Gilbert Smith,*
*Crawford Kerr,*
} Committee.

Victoria, 29 August 1845.

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Colonial-office, Victoria,
Hong Kong, 30 August 1845.

Gentlemen,

I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, and I am directed by his Excellency the Governor to state that a copy will be forwarded by the present opportunity to Lord Stanley, in order that the arguments and statements, therein urged, may have the early and full consideration of Her Majesty's Government.

I have, &c.

(signed) *W. Caine,*
Officiating Colonial Secretary.

To Alexander Matheson, Geo. T. Braine,
Gilbert Smith, and Crawford Kerr, Esqrs.

Appendix, No. 1.

Revenue.

REVENUE of the Colony of *Hong Kong*, received during the Year 1845.

| | £. s. d. | £. s. d. |
|---|---|---|
| **Taxes:** | | |
| Police Assessment | - - - | 529 6 3 |
| **Duties:** | | |
| Two and a half per cent. on goods sold by Public Auction | - - - | 304 8 10 |
| **Rents:** | | |
| On Land for Buildings, arrears of 1843 | 630 11 5 | |
| Ditto - - ditto - ditto - 1844 | 6,122 15 1 | |
| Ditto - - ditto, on Account of the Year 1845 | 5,318 14 1 | |
| | | 12,067 - 8 |
| Deposits by Purchasers of Crown Land | - - - | 76 14 5 |
| From Villages | - - - | 245 2 10 |
| For Stone Quarries | - - - | 437 14 2 |
| For Fishery | - - - | - 17 4 |
| Of Markets, arrears of 1844 | 99 13 4 | |
| Ditto - for the Year 1845 | 1,463 14 7 | |
| | | 1,563 7 11 |
| Of Buildings | - - - | 260 8 4 |
| **Licences:** | | |
| For Opium Farm | 2,384 15 2 | |
| Selling Wines and Spirits | 1,154 7 9 | |
| Auctioneers | 99 7 1 | |
| Salt Broker | 226 - 10 | |
| Serangs | 111 15 11 | |
| Billiard Room | 13 13 10 | |
| Pawnbrokers | 464 19 3 | |
| | | 4,454 19 10 |
| **Fees:** | | |
| On Leases and Deed Registry | 445 19 1 | |
| For Sundries, as Signatures, &c. &c. | 115 - 2 | |
| For Registering Boats | 108 4 1 | |
| From Supreme and Police Courts | 628 3 7 | |
| | | 1,297 7 - |
| **Fines:** | | |
| From Supreme and Police Courts | | 744 14 4 |
| Forfeitures | | 20 2 3 |
| Waif to the Queen | | 15 9 1 |
| Surcharges recovered | | 92 10 - |
| Refunds | | 76 2 - |
| Charts and Port Regulations, Sailing Letters, and Passés | | 41 9 7 |
| Net Proceeds of Sundries sold by Public Auction | | 14 13 3 |
| TOTAL Revenue, sterling | £. | 22,242 8 1 |

Victoria, Hong Kong, 9 January 1846.

*Frederick W. C. Bruce,*
Colonial Secretary.

Appendix, No. 1.

Expenditure.

EXPENDITURE of the Colony of *Hong Kong*, for the Year ended 31st December 1845.

| | £. s. d. | £. s. d. |
|---|---|---|
| **Civil Government:** | | |
| Salaries | 12,673 7 7 | |
| Ordinary Contingencies | 1,016 19 1 | |
| Special Disbursements | 796 19 2 | |
| | | 14,487 5 10 |
| **Ecclesiastical Establishment:** | | |
| Salaries | 710 18 10 | |
| Ordinary Contingencies | 41 15 6 | |
| | | 752 14 4 |
| **Revenue Department:** | | |
| Salaries | 5,043 16 2 | |
| Ordinary Contingencies | 657 17 6 | |
| Special Disbursements | 177 2 11 | |
| | | 5,878 17 7 |
| **Judicial Department:** | | |
| Salaries | 6,590 9 – | |
| Ordinary Contingencies | 742 13 9 | |
| Special Disbursements | 234 10 – | |
| | | 7,567 18 9 |
| **Police Departments:** | | |
| Salaries | 4,351 4 8 | |
| Ordinary Contingencies | 5,311 11 10 | |
| Special Disbursements | 322 12 1 | |
| | | 9,985 8 7 |
| **Medical Department:** | | |
| Salaries | 700 – – | |
| Ordinary Contingencies | 67 17 4 | |
| Special Disbursements | 154 10 5 | |
| | | 822 7 8 |
| | £. | 39,494 12 9 |
| Public Works and Buildings | | 26,800 19 3 |
| Compensations for removing Houses and clearing Ground | | 136 4 7 |
| Miscellaneous | | 295 2 15 |
| TOTAL Expenditure for 1845, sterling | £. | 66,726 19 5 |

Victoria, Hong Kong, 9 January 1846.

*Frederick W. C. Bruce,*
Colonial Secretary.

List of Purchasers and Prices at Land Sale.

LIST of PURCHASERS and PRICES at LAND SALE, *Victoria*, 22 January 1844.

| LOTS. | PRICE. £. s. d. | PURCHASERS. | LOTS. | PRICE. £. s. d. | PURCHASERS. |
|---|---|---|---|---|---|
| 1 | 27 5 – | Henry. | 21 | 22 10 – | Strachan. |
| 2 | 27 5 – | Porter. | 22 | 15 5 – | Edwards. |
| 3 | – – – | Reserved. | 23 | 15 10 – | Hawkins. |
| 4 | – – – | Ditto. | 24 | 15 10 – | G. Strachan. |
| 5 | 22 10 – | Larkins. | 25 | 22 – – | H. Jackson. |
| 6 | 17 – – | P. Stewart. | 26 | 15 10 – | Strachan. |
| 7 | 18 – – | Ditto. | 27 | 15 5 – | Larkins. |
| 9 | 21 5 – | Strachan. | 28 | 16 – – | Stevenson. |
| 10 | 17 15 – | Legge. | 29 | 15 5 – | Ditto. |
| 11 | 26 15 – | Ditto. | 30 | 10 5 – | Hughesdon. |
| 12 | 22 – – | P. Stewart. | 31 | 13 – – | Edwards. |
| 13 | 16 10 – | Kerr. | 32 | 10 5 – | Hughesdon. |
| 14 | 20 10 – | P. Stewart. | 33 | 10 10 – | Spring. |
| 15 | 18 – – | Kerr. | 34 | 10 10 – | Scott. |
| 16 | 21 10 – | Porter. | 35 | 10 10 – | Hughesdon. |
| 17 | 21 15 – | Larkins. | 36 | 11 10 – | Henry. |
| 18 | 21 – – | A. Scott. | 37 | 14 – – | Ditto. |
| 19 | 21 – – | Strachan. | 38 | 11 5 – | F. Jamsetjee. |
| 20 | 21 – – | Ditto. | 39 | 48 5 – | Burd. |

(*continued*)

Appendix, No. 1.

List of Purchasers and Prices at Land Sale.

| LOTS. | PRICE. £. | s. | d. | PURCHASERS. | LOTS. | PRICE. £. | s. | d. | PURCHASERS. |
|---|---|---|---|---|---|---|---|---|---|
| 40 | 45 | – | – | Strachan. | 79 | 66 | – | – | Strachan. |
| 41 | 38 | – | – | Ditto. | 80 | 70 | 15 | – | Hawkins. |
| 42 | 24 | 10 | – | Bowra. | 81 | 41 | – | – | Strachan. |
| 43 | 17 | 10 | – | Kerr. | 82 | 48 | – | – | Porter. |
| 44 | | — | | | 83 | 44 | 10 | – | Ditto. |
| 45 | 35 | – | – | Lattey. | 84 | 55 | 10 | – | Ford. |
| 46 | 40 | – | – | Braine. | 85 | 28 | – | – | Tarrant. |
| 47 | 46 | – | – | Ditto. | 86 | 32 | 5 | – | Kimsing. |
| 48 | 55 | – | – | Ditto. | 87 | 36 | – | – | Bowra. |
| 49 | 46 | – | – | Ditto. | 88 | 38 | 5 | – | Kimsing. |
| 50 | 32 | – | – | Christopher. | 89 | 28 | 5 | – | Kerr. |
| 51 | 25 | – | – | Braine. | 90 | 30 | – | – | Porter. |
| 52 | - | - | - | Reserved. | 91 | 24 | 10 | – | F. Jamsetjee. |
| 53 | - | - | - | Ditto. | 92 | 27 | – | – | Tarrant. |
| 54 | - | - | - | Ditto. | 93 | 22 | – | – | F. Jamsetjee. |
| 55 | - | - | - | Ditto. | 94 | 26 | 15 | – | Ditto. |
| 56 | 15 | 15 | – | Edwards. | 95 | 23 | 15 | – | Ditto. |
| 57 | 17 | 15 | – | Ditto. | 96 | 22 | 15 | – | Ford. |
| 58 | 15 | 5 | – | Ditto. | 97 | 24 | – | – | Ditto. |
| 59 | 6 | 5 | – | Scott. | 98 | 27 | – | – | Strachan. |
| 60 | 7 | 10 | – | Bruce. | 99 | 30 | – | – | Ditto. |
| 61 | 8 | 5 | – | Ditto. | 100 | 22 | 10 | – | G. Strachan. |
| 62 | 7 | – | – | F. Jamsetjee. | 101 | 20 | 10 | – | Tarrant. |
| 63 | 7 | – | – | Hughesdon. | 102 | 25 | 5 | – | Hughesdon. |
| 64 | 5 | 10 | – | Ditto. | 103 | 26 | 10 | – | F. Jamsetjee. |
| 65 | 11 | – | – | Pyke. | 104 | 23 | 10 | – | Scott. |
| 66 | 11 | – | – | Stewart. | 105 | 20 | 5 | – | Strachan. |
| 76 | - | - | - | Reserved. | 106 | 24 | – | – | Hughesdon. |
| 68 | - | - | - | Ditto. | 107 | 20 | 5 | – | F. Jamsetjee. |
| 69 | - | - | - | Ditto. | 108 | 21 | 10 | – | A. Scott. |
| 70 | - | - | - | Ditto. | 109 | 20 | 5 | – | Strachan. |
| 71 | 23 | – | – | Scott. | 110 | 20 | 5 | – | Hughesdon. |
| 72 | 100 | – | – | Braine. | 111 | 21 | 10 | – | F. Jamsetjee. |
| 73 | 73 | – | – | Dr. Anderson. | 112 | 24 | 10 | – | A. Scott. |
| 74 | 45 | – | – | Lattey. | 113 | 20 | 5 | – | Strachan. |
| 75 | - | - | - | Reserved. | 114 | 27 | – | – | Hughesdon. |
| 76 | - | - | - | Ditto. | 115 | 26 | 10 | – | F. Jamsetjee. |
| 77 | 30 | – | – | Hawkins. | 116 | 21 | – | – | Strachan. |
| 78 | - | - | - | Reserved. | | | | | |

## LANDS AT HONG KONG.

EXTRACT of a DESPATCH from the Earl of *Aberdeen* to Sir *Henry Pottinger*; dated Foreign Office, 4 January 1843, No. 4.

Lands at Hong Kong.

"WITH regard to the location of any parts of the island, Her Majesty's Government will allow you to apportion to persons desirous of establishing themselves, sufficient space for the buildings which they propose to erect, and for their convenient occupancy of such buildings; but Her Majesty's Government would not choose that, under present circumstances, any grants should be made to parties whose object in obtaining such grants would be to dispose of them again with advantage to themselves. You will of course be careful to reserve the portions best adapted for public buildings, and such portions also of the shore as may appear most suitable for the situation of the naval establishments which it may be found necessary to maintain in the island, for repairing and refitting Her Majesty's ships. You will also bear in mind, in apportioning lots to private individuals, that it will be expedient to leave ample space for streets, so as to ensure good ventilation, and thereby guard as much as possible against the evil consequences which might ensue from too crowded an occupation.

"The terms on which land should be granted to individuals for the erection of houses and other buildings are necessarily, in some degree, dependent on the views entertained by Her Majesty's Government with regard to the policy to be observed in the administration of Hong Kong. The intention of Her Majesty's Government being then that Hong Kong should be a free port, and that the harbour dues should therefore be as light as possible, so as to give every encouragement to the commerce of all nations, it is clear that no revenue can be expected from import or export duties, to cover the expenses attendant upon the occupation of the island. The principal source from which revenue is to be looked for is the land; and if by the liberality of the commercial regulations enforced in the island foreigners, as well as British subjects, are tempted to establish themselves on it, and thus to make it a great mercantile entrepôt, with very limited dimensions, Her Majesty's Government conceive that they would be fully justified in securing to the Crown all the benefits

to

to be expected from the increased value which such a state of things would confer upon the land. Her Majesty's Government would therefore caution you against the permanent alienation of any portion of the land, and they would prefer that parties should hold land under leases from the Crown, the terms of which might be sufficiently long to warrant the holders in building upon their several allotments. A permanent revenue would thus be at once secured to meet the expenses of the island, with a reasonable certainty also that it would ultimately increase in proportion to the increasing value of the property. It would probably be advantageous also that the portions of land should be let by auction, but of the expediency of resorting to this process you will of course be best able to judge on the spot. The rents to be derived from leases so granted must be placed to the account of the government of Hong Kong, and will constitute a fund, which it may be hoped will not only cover the current expenses of the establishment, but also defray the charge of the public works to be undertaken and maintained on the island."

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EXTRACT of a DESPATCH from Governor Sir *Henry Pottinger* to Lord *Stanley*; dated Government House, Hong Kong, 23 June 1843.

"YOUR Lordship will, I presume, be aware that some months before I arrived in China this island was taken possession of in Her Majesty's name by Capt. Elliot, and that that officer proceeded shortly after to sell by public auction a considerable number of lots or portions of land on certain terms. On my arrival, in August 1841, I was only here 24 hours previous to my going to the northward with the expedition; but during that time I directed all further grants or sales to be discontinued, and allowed Captain Elliot's arrangements to remain as I had found them.

Under a misconception of my intentions, Mr. Johnston (the deputy superintendent) allowed additional lands to be assigned to applicants subsequent to my departure to the northward, and the communication was then so seldom and so irregular between this place and the expedition, that I did not hear for a long time of what was going on.

When I returned to Hong Kong, in February 1842, I again renewed my prohibition against granting land to general applicants; but I was induced to do so in some special cases, to persons chiefly in the employ of Government, and also to some of the charitable institutions (such as the Morrison Education Society and the Medical Missionary Society), which I deemed it right to encourage.

All grants made by me, I may observe, were specially notified to be subject to whatever rules or forms Her Majesty's Government might thereafter be pleased to prescribe; and, in the absence of instructions, I declined to interfere with finally confirming or fixing the tenure or footing on which any previous grants had been made by Capt. Elliot and Mr. Johnston.

Just before I left Hong Kong, in June 1842, to rejoin the expedition, I received a despatch from the Earl of Aberdeen, directing that this island should be considered a mere military position, and that all buildings, &c. not required in that light should be discontinued. These commands I immediately promulgated, and after the treaty was made and the cession of the island secured, I repeated to Mr. Johnston my prohibition against any further grants of land pending the receipt of instructions from England.

The consequence, however, of the measures I have briefly described, has been that a large number of lots of land are now held by private individuals, some of whom have expended a great deal of money in improvements of, and buildings upon them, but none have been either permanently or even for any fixed period alienated; and I am having a survey made of this side of the island, which will give Her Majesty's Government a clear idea of all that has yet been done.

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EXTRACT of a DESPATCH from Sir *Henry Pottinger* to Lord *Stanley*; dated Government House, Victoria, Hong Kong, 17 July 1843.

(No. 7.)

*No. 4.*

*This statement relates to the disposal of land at Hong Kong for military purposes.*

"I FURTHER forward copies of a report drawn up by Mr. Gordon, the land officer, and of a statement showing, in a concise shape and view, the whole of the lots of land sold, granted, or in any way appropriated in this colony, from the day the island was first taken possession of up to the present time.

The terms on which Captain Elliot sold by auction a number of very valuable marine lots will be found in one of that officer's earliest notifications in the two volumes of Archives which accompany my despatch, No. 6, of the 13th instant to your Lordship. Those on which Mr. Johnston made grants will be seen on reference to the same volumes, under date the 12th of November 1841; and all lots that I allowed to be occupied were expressly declared at the time to be subject to whatever rules and stipulations Her Majesty's Government might be pleased to lay down.

*No. 5.*

*This Return is comprised in the tabular statements which accompany Sir H. Pottinger's Despatch, No. 3, of the 22d Jan. 1844.*

I have not had time, amidst my other more immediately pressing duties, to look into these matters so fully as to enable me at this moment to tell your Lordship positively on what footing I shall, with reference to my instructions, regulate the titles to the various lots that have been already bought and improved upon at a considerable expense, but my present feeling is, that it will be only just to confirm the marine lots from the day the island was declared to be a British colony, at the rate they fetched by public auction, and on leases

Appendix, No. 1.

Lands at Hong Kong.

of 50 years' duration, reserving to the occupants the right to renew those leases in such terms as the circumstances of the colony may render expedient, at the expiration of that period.

I agree with Mr. Gordon, that nearly all lots that have been hitherto classed as suburban (with very few exceptions) should be transferred either to the list of marine or town lots, and the proper rent to be fixed on them will possibly be best ascertained by the future sale by auction of lots similarly situated. It is also probable that some of the present town lots will have to be classed and charged as marine lots, and that the size of any suburban lots that may be eventually confirmed or granted (on this side of the island) will have to be very much curtailed. The preceding remarks contain the substance of my impressions irrespectively of the questions that have arisen owing to Major Aldrick's plans, so far as they have yet been developed. I need not assure Her Majesty's Government that I have no wish at heart beyond the well-being and advancement of the colony; but, situated as I am, it is my duty to say, that I think that carrying out those plans will interfere very much with the increase and prosperity of Hong Kong (Victoria) as an emporium of trade, which was, I believed, the sole, or at least the chief object in securing its cession.

The uncertainty which must now exist as to the views and eventual commands of Her Majesty's Government will, I have little doubt, retard the progress of colonization until the question which has arisen shall be finally disposed of; but that drawback will, I trust, only be temporary, should Her Majesty's Government see fit to adopt the arrangements, or others of a like description, which I have hastily sketched in my letter to Lord Saltoun. I repeat that I have no motives beyond those I state above, the interests of Her Majesty and her subjects, in urging those arrangements, but that I advocate them under the conviction that they are required for the good of this colony as a great commercial mart.

I may conclude by observing, that I estimate that about one-fourth of the available ground on this side of the island (but not including the extensive flats that may at a considerable expense be hereafter reclaimed from the harbour) has been appropriated; and that by a rough calculation I should say, that it alone ought hereafter to yield an annual revenue of from 8,000 *l.* to 10,000 *l.* sterling.

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(No. 25.)

Sir, Downing-street, 3 January 1844.

HAVING in my despatch of the 18th ultimo (No. 2 Military) conveyed to you the decision of Her Majesty's Government in regard to the military defences of Hong Kong, it remains for me now to explain their views in respect to the lands in the island which have already been disposed of to private individuals, as reported by your despatches of 23 June, No. 3, and the 17th of July, No. 7.

From these despatches, and the papers which accompany them, it appears that numerous parties have acquired lands at Hong Kong,

1. Under a notification issued by Captain C. Elliot, who offered several marine lots to sale at auction.

2. Under a subsequent notification by Mr. Johnston, who established the average price realized at the above sales as a fixed price for marine lots, and named a different fixed price for town and suburban lots respectively; and,

3. Under certain grants made by you to special descriptions of persons, such as to Government officers and to individuals proposing to undertake works considered of general utility and to charitable societies.

Neither of the officers above named, nor yourself, held at that time any commission giving authority finally to dispose of lands at Hong Kong on behalf of the Crown, and consequently any arrangements made by you must have been subject, even if it had not been expressly so stated, as regards the 1st and 3d of the foregoing divisions, to the eventual signification of Her Majesty's pleasure. The immediate question, therefore, appears to be what should be done as to the land appropriated by the three classes above enumerated. I shall take another opportunity of considering what would be the best general course in the future disposal of lands.

1. Under Captain Elliot's notification the lands were up to auction, the biddings were required to be for a certain annual payment, to which the name of quit-rent was given, and the whole of the terms were explained to be subject to the Queen's pleasure. Having carefully examined the particulars of the sales under this and subsequent notices, I find that the number of lots under Captain Elliot's notice was 33; that they amounted in the aggregate to an extent not much exceeding nine acres, and that the annual payment bid for them was 3,032 *l.* This amounts to an average of 7 *l.* 8 *s.* 6 *d.* per 1,000 square feet, a price which is equal to a rate of more than 323 *l.* per annum for the acre. Observing this result, I cannot hesitate in expressing my assent to the view taken in your despatch No. 7, that it would only be just to confirm the marine lots at the prices they fetched at auction upon leases for 50 years.

In respect, however, to the suggestion that there should be a right of removal "on such terms as the state of the colony may render expedient," it appears to me that it might perhaps be advisable, instead of giving any such general assurance, to grant some moderate extension of the term to be originally assigned to the leases, but that town and suburban lots should not be held including such extension, for more than 75 years. At the same time I ought to add, that although I disapprove of creating a right to demand renewals,

renewals, I do not propose to take from the Government, for the time being, a discretionary power to grant them from time to time, at intervals of not less than 15 years, the fine paid, or demanded, for renewal being convertible into an improved ground rent. I have also further to observe, that I consider the duration of leases for other than building purposes should for the future not exceed a term of 21 years.

2. Mr. Johnston's notice fixed for marine lots, the rate of 1 *l.* per 129 square feet, which he appears to have taken to be the average rate realized at the previous sales, and he named (according to the copy of the notice transmitted by you) a fixed rate of 20 *l.* per acre annually for town lots, and 2 *l.* per acre annually for suburban lots. But in the list of actual appropriations of town lots, I observe that they were made at the rate of 20 *l.* per 11,025 feet, which amounts to about 80 *l.* per acre.

With respect to the marine lots alienated by Mr. Johnston, the conditions being the same, the same decision must of course apply to them as to those sold under Captain Elliot's notice.

The town lots, disposed of under Mr. Johnston's announcement, appear to have been 75, extending over about 18 acres, and the suburban lots to have been 17, extending over about 83 acres. The duration of the leases for both classes should be shortened to that above mentioned for marine lots. With this exception, you will be at liberty, when you think proper, to confirm them. But I observe that Mr. Gordon states in his general report on the town, and you express your concurrence in your despatch No. 7, that some of the town lots ought to be transferred to the class of marine lots, and all but one of the suburban lots to the class of town lots. Where no outlay has been made the lots will, if I understand right, be forfeited; and there can be no difficulty in classing them as may be thought best. But where parties have made any *bonâ fide* outlay, and are unwilling to retain their lots on the raised terms, you will of course take care to settle each case equitably and on its own merits, bearing in mind such expectations as it may have been reasonable to form under a public notice issued, though without sufficient powers, by the officer exercising the chief authority on the spot.

3. Proceeding, in the third place, to the lands previously disposed of by yourself, I may observe that, as you have very properly rendered your measures subject to the decision of Her Majesty's Government, there is fortunately less reason than in some of the cases already adverted to, to hesitate in pointing out any instances in which general experience would suggest some modification of the course adopted by you.

I see that the lands were granted, in two or three instances, free of rent, if I am not mistaken, for the erection of bazaars, and for the construction of a patent slip. One inconvenience of grants on these kinds of conditions is, that difficulties are apt to arise as to their execution, which has already been exemplified in some of the cases at Hong Kong; and since few things could be more profitable to the individuals themselves than undertakings of this nature, there seems no reason why they should have a free gift of the public lands besides. I am of opinion, therefore, that the lots parted for the above purposes should be made subject to the same rent as other lands of the same class.

With respect to grants to public institutions, great caution will be desirable; but I see no objection to the proposed grants to a hospital, and to some schools, provided the institutions be really effective and substantial, and that the land allotted to them be only sufficient for the buildings and occupation grounds, and not for purposes of endowments. You will of course, however, understand that in giving you this authority I have no wish to interfere with the discretion which, under the circumstances stated in your despatch of the 23d of August last, No. 13, you may think it right to exercise in regard to grants to schools or colleges. On the subject of that despatch I propose to address you hereafter; and I have delayed coming to a final decision on the questions involved in it, only because I had reason to expect that I should receive a communication on the subject from the Missionary Society in this country.

Observing that no particular duration of the grant is mentioned in the return of the bazaar lots, I wish to call your attention to this grant, in order that you may fix a suitable limit.

I perceive that lots were granted to Mr. Johnston and Mr. Stewart, as public officers, on condition that Government should have the option of purchasing the houses built on them; and for the harbour master and land officer houses appear to have been erected at the public expense. You will learn, from my despatch of the 30th ultimo, that it is not the intention of Her Majesty's Government to provide residences for any of the public officers at Hong Kong except the Governor; and I must add that, as a general rule, it is very objectionable to allow them free grants of land. The objection rests not only on the pecuniary exemption which they obtain, but also on the circumstance that, since no competition takes place, the officers may select sites which ought not to be obtained for private dwellings. On general grounds, therefore, I am obliged to withhold my sanction of the grants of this kind already made, except subject to the payment of the same rent as other lots of the same description.

While on this subject, I may take occasion to notice that, in your letter of the 26th May 1842, you granted Mr. Johnston leave to select two lots of land, one on each side of the island; and that, in a return of grants made to Mr. Johnston, there appears a suburban lot for himself. I presume that this is not an additional lot, but one of the two sanctioned by you. The return mentions it as charged with a rent of 10 *l.*, like other suburban lots, and as unimproved.

It only remains for me to notice the general plan of the town, as reported on by Mr. Gordon, the land officer; on which subject, the decision respecting the defences, conveyed to you in my despatch of the 15th ultimo, will have relieved you from all difficulty.

Appendix, No. 1.

Lands at Hong Kong.

I observe, from Mr. Gordon's report, that the importance of uniformity and of keeping together, as far as practicable, different classes of buildings, so that those required for commerce should not interfere with the other parts of the town intended for private dwelling-places or the seat of Government offices, have not escaped his notice; and that he has also adverted to the advantage of assigning distinct and appropriate sites to European and Chinese residents. It is therefore unnecessary for me to make any observation on these points; and as regards the details of the plan, I can merely say that Her Majesty's Government are persuaded that no better course can be adopted than to entrust to your hands an ample discretionary power as to the most advantageous plan of laying out the town.

But, independently of the mere disposition of the town, Mr. Gordon's plan contemplates various public works; such as the continuation of the Queen's Road round the whole island; the construction of a praya or quay along the sea-front of the town; the reclamation of some ground at its western extremity, by means of a sea-wall; and the admission of a canal from the sea, with branches into different parts of the Chinese town. I can readily believe that several of these works, and especially the proposed quay along the sea-front of the town, would in themselves be beneficial; but the question must be, whether there are the necessary funds for their execution. As regards the proposed praya, it may perhaps be found, that by rendering its progress commensurate with the disposal of marine lots, an arrangement might be made for its execution, at very little cost to the public; for all such lots, as Mr. Gordon suggests, might in future be disposed of on condition of performing the projected work in front of them on a certain fixed plan; while Mr. Gordon gives reason to suppose that the holders of such marine lots as are already appropriated would be willing to enter into reasonable terms with the Government on this subject. And in respect to the canal which is proposed, it must always be taken into calculation, in estimating the probability of its success, that such a scale of tolls would have to be imposed upon its use as would, without discouraging trade, be sufficient to reimburse the expense of its construction, and to provide for repairs and maintenance. Upon these questions, however, I abstain from entering more fully at the present moment; my despatch of the 30th ultimo will have explained to you the rule in regard to public works, observed in all Her Majesty's colonial possessions, viz. that no expenditure is to be incurred, except in cases of absolute necessity, until plans and estimates have been sent home and approved of by Her Majesty's Government. As there seems no reason to suppose that the works suggested by Mr. Gordon are of this immediate and indispensable urgency, I think it better, before expressing any final opinion, to leave you the opportunity of bringing them again, in a fuller and more formal manner, under the consideration of Her Majesty's Government, should further reflection convince you of their necessity.

I have, &c.

Sir Henry Pottinger, &c. &c. &c. (signed) *Stanley.*

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(No. 31.)

Sir, Downing-street, 31 January 1844.

In conformity with the intention announced in my despatch of the 3d instant, No. 25, I now proceed to explain to you the general views of Her Majesty's Government as to the regulations to be observed in the future disposal of land in Hong Kong. In determining these regulations I have followed, as you will remark, the general principles which guided my decision on the alienations of land which have already taken place.

The principal rule to be observed is, that all land should, in the first instance, be disposed of by auction; and should not be parted with in perpetuity, nor for a sum paid down, but for an amount of annual rent on leases, for such terms as may be fixed upon by the governor for the time being, not exceeding 75 years, in the case of land disposed of for building purposes. In the present uncertainty as to the permanent value of land in Hong Kong, the determination of the upset price must be left to the discretion of the governor. In cases however of renewal of leases, the principle of auction would of course be inapplicable; but regulations must be drawn up, which may be done with great accuracy from published tables, fixing the rate at which any improved rate agreed on for the renewed lease may be converted into an improved rent to take effect at once; on which principle, and not on that of acceptance of fines, I should wish renewals to be made. It should, however, be clearly understood, that although the governor will be possessed of a discretionary power to grant renewals periodically, or at such times as he shall find expedient, no title will be admitted in the tenant to demand any renewal as of right. Power should likewise be reserved to the governor, in conjunction with the surveyor-general, to make stipulations as to the character of the buildings to be erected on any particular lot let for building purposes, as they might considerably affect the value of adjacent lots. The nature of any such stipulations must be decided by the local authorities.

Lands designated as marine, town, or suburban lots, should be disposed of only by auction; and it must be left to the governor to decide on the length of previous advertisement that will be required. In deciding this point regard must of course be had to the necessity of avoiding all delay not indispensable to afford a fair opportunity for competition. As regards country lands that have been put up to auction, but not disposed of, I should not object

object as a general rule to their being disposed of by private agreement to any individual at the upset price. It would, however, be of course for the governor to decide whether such an arrangement should be permitted, or whether the lands should again be exposed to auction.

In regard to the establishment of fixed periodical sales, without regard to the applications which may have been made for land, I do not wish to lay down any precise rule. It might happen that the holding such sales, so far from being advantageous to public interests, might be the reverse, by stimulating a fictitious sale of land, and encouraging land speculation and jobbing. This, however, is a question on which your local knowledge and experience will enable you, better than myself, to form an opinion; and I am therefore satisfied, for the present, to call your attention to it.

I have, &c.
(signed) *Stanley.*

Governor Sir Henry Pottinger,
&c. &c. &c.

## REPORT ON TENURE OF LAND.



(No. 3.) Colonial Department, Government House, Victoria,
My Lord, Hong Kong, 22 January 1844.

WITH reference to the notification which formed Enclosure No. 3, to my despatch, No. 23, of 13th November, and that which formed the only enclosure to my despatch, No. 31, of the 22d of last month, I have the honour to submit copies of a series of correspondence which has passed between the Land Committee, that was nominated in the former notification, and myself, on the subject of the tenure and sale of Crown lands in this colony, and the result of which correspondence will, I trust, be satisfactory to Her Majesty's Government.

*Nos. 1 to 8.*

With my despatch, No. 30, of the 22d of last month, I forwarded copies of two letters which I had received from Mr. Gordon, the land officer, and I now likewise submit the copy of the reply, No 21, which I directed to be written on the 10th instant, to one of those letters, together with one of Mr. Gordon's rejoinder, dated the 13th instant.

*No. 9.*

*No. 10.*

Mr. Burd, the only occupant of any lot who will be seriously affected by these arrangements, has since laid a memorial before me praying for remuneration, as well as the extension of the period allowed to him to remove his premises, and his case will hereafter be taken into consideration, disposed of, and reported to your Lordship.

The further sale of Crown lands (town lots) is going on this day, and if they sell even at the rate proposed by the committee, that is, the upset price, the annual rent of the whole of the marine and town lots that will have been disposed of up to this day may be roughly estimated at about 15,000 *l.* per annum, on leases of 75 years, at the expiration of which period the whole are to revert to Government, as is shown in the accompanying copy of the leases which I am about to grant under my signature and the seal of the colony.

I enclose a copy of the scale of fees which passed Council on the 17th instant, and which are ordered to be henceforward taken in the Land-office, on all transactions connected with that department.

I hope Her Majesty's Government will consider that I decided wisely in my letter which forms enclosure No. 3 of this despatch, with regard to not putting up the lots that are this day being sold at the bonus or premium above the annual rent or upset price. The high rate of interest which money bears in China, usually about one per cent. per month, would, I conceive, have deterred purchasers from coming forward, and by Government sinking the amount of two or three years' rental in laying out, draining, and improving the city, it may be assumed that the eventual value of the whole will be vastly increased, exclusive of the hope that may be confidently entertained of the proposed steps ensuring the future salubrity of this quarter of the colony and its attendant prosperity, together with the health and comfort of the inhabitants.

On all points adverted to in this despatch I respectfully solicit the early communication of any instructions which Her Majesty's Government may deem necessary. The influx of strangers to this place is already so rapid, that the erection of houses can by no means keep pace with the demand for them, and the intended early removal of most of the great mercantile firms from Macao to Victoria will shortly give a further impetus to the progress of colonization, both as regards foreigners and native settlers.

In the meanwhile my best and most devoted energies will be applied, with the advice and assistance of my colleagues in council, to carrying out what I conceive to be immediately required for the good of the colony; and whilst I shall study the strictest possible economy in every department, I must humbly hope that Her Majesty's Government will make due allowance for the unavoidable delay that must occur in submitting estimates for every item of public expenditure (which shall be prepared and sent home for sanction at the earliest practicable moment), and will be pleased to bear in mind the complicated and multifarious duties that unceasingly press on me, and that call for a degree of laborious exertion to prevent them falling into arrears and confusion, which I may truly aver few would be able, however willing, to undergo.

I am, &c.
(signed) *Henry Pottinger.*

Lord Stanley,
&c. &c. &c.

Appendix, No. 1.

Report on Tenure of Land.

(No. 134.)

Colonial Department, Government House, Victoria,
Hong Kong, 15 December 1843.

Gentlemen,

REFERRING to the Government notifications under dates the 21st of August last, and 12th instant, published in the "Hong Kong Gazettes" of the 24th of August and 14th instant, I am directed by his Excellency the Governor to request you will, at as early a period as possible, furnish for the consideration and ultimate instructions of Government, the result of your inquiries "into the equitable claims of all holders of lands" in this colony.

In fulfilling this important duty to the State and to individuals, his Excellency the Governor wishes you to bear in mind the following remarks:

1. In all cases where the original purchasers or grantees are in possession of lands, and have laid out money in improving such lands, they are, by the orders of Her Majesty's Government, to be entitled to the most liberal consideration.

2. When persons have either bought from, or had transferred to them, by the original purchaser or grantee, under proper authority, any lands, and have, subsequent to such purchase or transfer, laid out money on them, they are likewise to be entitled to the like liberal consideration.

3. When persons have either purchased lands from, or had them granted by the then existing authorities in this colony, and have not taken steps to improve them, they are to be considered to still belong to the Crown.

4. When persons have bought lands from, or had them transferred, even under proper authority, by the original purchaser or guarantee, and yet have not improved them, such lands are to be assumed as still belonging to the Crown.

5. In no case when transfers or sales have been privately or unauthorizedly made, and not duly registered in the land department, are they to be considered valid; but the present holders of them will be allowed the option of taking them at the average price which similar lots may fetch at the approaching sale of Crown lands.

The above rules are to form the groundwork of your inquiries and report; but his Excellency the Governor will be prepared to give your opinions and recommendations in favour of particular claims his favourable consideration, and to act on them as far as his instructions from, and duty to, Her Majesty's Government may place it in his power.

In conclusion, I am desired to point out to you, that although these rules may occasionally press hard on individuals, such cases can be specially looked into and provided for; but you are to remember, that if the claims of private individuals are entitled to indulgent consideration, it is no less incumbent on you to discharge the duty to which you have been appointed, and to which this letter relates, with rigid impartiality, so far as the interests of Government are concerned, and his Excellency the Governor must rely on your doing so.

The instructions which have been received from time to time from Her Majesty's Government on the subject of this letter, can be referred to by your committee at any time on application to me.

I have, &c.
(signed) *Richard Woosnam.*

Richard Burgass,
A. T. Gordon,
C. St. George Cleverly,
C. E. Stewart,
Esquires, &c. &c. &c.

(True copy.)
(signed) *Richard Woosnam.*

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(No. 1.)

Sir,

Land Office, Victoria, Hong Kong, 4 January 1844.

WE have the honour to report, that in obedience to the instructions of his Excellency the Governor, we have twice met in committee, for the consideration of the various points adverted to in your letter (No. 134) to our address, under date 15th December 1843.

We find that the sale of the marine lots gives an average of the large annual rent of nearly (350 *l.*) three hundred and fifty pounds per acre; and looking to the fact, that this was the result of a public sale, and that the purchasers were under the impression that the time for which the land was disposed of was unlimited, we are of opinion that all the marine lots hitherto sold, or granted, should be recognised, and confirmed for a period of seventy-five (75) years; excepting however those that may have been forfeited, by non-fulfilment of the conditions of sale.

Eighty-eight (88) town lots have at various times been granted by the authorities for the time being; of these seventy-five (75) were granted with the understanding, that the annual rent would be twenty pounds (20 *l.*) per 105 feet square; this we consider to be in many instances far less than their real value, as some of them occupy the most favourable situations in the town; while others, from their position, are overrated; but with the desirable object of not doing violence to the promise, or engagement entered into by a public officer, while such can be avoided, with due regard to the interests of Her Majesty's Government, we would recommend, that all lots, other than marine, that have been hitherto granted or occupied, should be classified, and rated, according to a scale, determined with reference to their locality, &c.

A subject to which we have given much consideration, is the principle on which the land should be disposed of, with the best prospect of advantage to the State, and the ultimate welfare of the colony; we are aware of the necessity that exists for obtaining funds to

meet

meet the immediate requirements of the colony, and that it has been proposed to effect this, either by attaching to the sale of each lot the condition of a fixed bonus, or by offering the lots at a fixed annual rent, and setting up the bonus or premium to public competition; but there is this disadvantage attendant upon the principle of a bonus or premium, viz., the great value of money in this country, and the high rate of interest at which the purchaser would calculate any advance thus given upon the land; we are therefore of opinion, that if by any other means the requisite funds can be obtained, it would be more advantageous to dispose of the land at an annual rent, free from any condition of bonus or premium. Should our views meet with the approval of his Excellency the Governor, we will immediately draw up, and submit for the consideration of his Excellency, a scale of rents, and upset prices for the different classes, together with a report of the result of our inquiries into the equitable claims of all holders of lands in this colony.

We have, &c.
(signed) *R. Burgass.*
*A. T. Gordon.*
*Chas. St. Geo. Cleverly.*
*Chas. E. Stewart.*

Richard Woosnam, Esq., &c. &c. &c.

(True copy.)
*Richard Woosnam.*

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(No. 12.)

Colonial Department, Government House, Victoria,
Hong Kong, 6 January 1844.

Gentlemen,

I HAVE had the honour to receive and lay before his Excellency the Governor your letter of the 4th instant, replying to mine of the 15th ultimo, and offering your opinions as to the terms on which the marine and town lots hitherto granted or sold, or about to be sold, should be confirmed to the grantees and purchasers.

In reply I am directed to communicate to you the following observations:—

His Excellency the Governor will be prepared to adopt your recommendation with regard to marine lots, under a strict observance of the rules specified in my letter above adverted to.

His Excellency fully concurs in, and approves of, your proposal, that the town lots heretofore allotted should be arranged in classes, and the rent fixed accordingly. It is quite obvious to the most casual observer, that all lots situated along the southern verge of the Queen's Road, or in its immediate vicinity, and to which there is either no ascent at all, or a very gradual one, have hitherto been rated much below their proper value, whilst others, which are difficult of approach, and on which money must be expended (irrespectively of Government laying out the streets) to remedy that objection, have perhaps occasionally been estimated too high. Even in classing these latter, it ought, however, to be always borne in mind, that the outlay of forming roads, as well as keeping them in repair and draining them, &c. &c., will, after all, chiefly fall on Government, and should be carefully looked to in the pending arrangements.

His Excellency fully admits the advantage and propriety of abiding, as far as may be consistent with the public interests, by past engagements and promises, and acting on the liberal principle authorized by his instructions from Her Majesty's Government, he sees no objection to your announcing, that should any individual deem his lot or lots to be overvalued by your committee's classification, such lots shall hereafter be held at the average rate at which similarly situated lots may sell at the ensuing sale, it being clearly understood that Government will be entitled to all advances or profit that may accrue on these transactions. The same rules as to improvements, transfers, &c. that have been already laid down and communicated to you, will, of course, be minutely applied to the lots under discussion.

Your Committee has seen from Her Majesty's gracious instructions to the Governor, that all lots, under whatever denomination, to be sold in future are to be put up at an upset price to public auction, and his Excellency thinks that that upset price should be the same that corresponding lots, whether marine or town lots, bear in your classification, that the lots should not be allowed to go below such upset price, and that any advance made beyond the upset price by intending purchasers should be in the shape of annual rent and not of a bonus or premium, the adoption of which latter mode would probably, owing to the reasons you have stated, deter many individuals from coming forward to bid, thereby tending to check the rapid increase and prosperity of the colony, and certainly in the end, proving less advantageous to the revenues of the Crown.

In conclusion, I am to inform you that his Excellency will be happy to receive and give his best attention to your further suggestions and reports.

I have, &c.
(signed) *Richard Woosnam.*

Richard Burgass,
A. T. Gordon,
Chas. St. George Cleverly,
Chas. E. Stewart,
} Esquires, &c. &c. &c.

(True copy.)
*Richard Woosnam.*

Appendix, No. 1.

Report on Tenure of Land.

(No. 12.)

Sir, Land Office, Victoria, Hong Kong, 13 January 1844.

We have the honour to acknowledge the receipt of your letter, No. 12, under date the 6th instant, conveying to us the sanction of his Excellency the Governor to the classification of all lots (other than marine), and also to the manner in which lots are to be sold, as proposed in our letter, No. 1, of the 4th instant, to your address.

No. 1.

No. 2.

We have now the honour to enclose a list of the number of classes we would propose, with the annual rent of each, and also a list of the lots hitherto granted or occupied, specifying the class in which we would place each of them.

Although all these classes are not required for the lots already granted, we are of opinion that from the very uneven nature of the ground in the island, it could not be fairly assessed if divided into a smaller number.

In determining the class to which each lot shall belong, we have taken into consideration not merely the height above the sea, and the nature of the approach to the lot, as well as its capability of improvement, but also the quantity which a purchaser will be likely to require in each particular situation.

No. 3.

We also enclose a list of all the lots of land which have been granted in this colony previous to the 26th June 1843, with the names of the original grantees, and of the present incumbents, and also the terms on which the original grants and subsequent transfers have been made, as well as an estimate (approximate) of the sums which have been expended on each lot, and a brief notice of the buildings erected.

Acting upon the liberal principles authorized by the orders of Her Majesty's Government, conveyed to us in your letter, No. 134, under date 15 December 1843, we would recommend that all those lots which have been improved, and to which the present incumbents can establish a regular claim, be confirmed, at the annual rent of the respective classes in which we have arranged them. We shall in this letter, referring to the lots by number, give some additional explanation of those cases which we are desirous of bringing more particularly to the notice of his Excellency.

*Town Lots.*

No. 2. The present incumbent, Dr. Bridgman, claims this lot as having purchased it from the late Mr. Morrison, whose name is now on the register as the owner. No letter of transfer has been lodged in this office, but one of the members of this committee, Mr. Stewart, informs us (as administrator to Mr. Morrison) that when all the purchase-money is paid the letter of transfer will be signed.

No. 3. Mr. Holgate was registered for a lot, but there was a mistake as to the locality of it, and Mr. Holgate commenced levelling the wrong place. In consideration, however, of his having expended $ 200 before he was stopped in his work, and also of his having built a house upon his other lot, we would recommend his claim to the favourable notice of his Excellency.

No. 15. Part of a lot, on which a house was built, was sold by Mr. Gillespie to Mr. Young, who was prevented from building in accordance with the Government notification, under date 10th April 1843, published in the Hong Kong Gazette of 13th of same month; but the original grantee having improved all his land, we would recommend his case to the favourable consideration of his Excellency.

No. 17. We can see no reason why we should bring Mr. Marwick's claim to the favourable consideration of the Governor; he had two lots, neither of which he improved, and he sold one of them.

Nos. 28, 29, 30, 31, and 32 were purchased by Messrs. Jardine, Matheson & Co., who have not yet improved them, but as that firm have already laid out upwards of a lac of dollars on their property in this island, and having very recently given orders for further buildings to a very large amount; and also because they were prevented from improving these and other lots, owing to the lines of road not having been marked out, as appears on record in this office; and further, because most of the houses proposed to be erected on them are for the use of their numerous dependents, we would recommend that they be allowed to retain them.

No. 34. Mr. Harton having long since sold one of his lots in the state in which he received it, and having retained the other, without improving it, we can see no reason for recommending his case to form an exception to the rules laid down by Her Majesty's Government, "that land which has not been improved shall be considered as still belonging to the Crown."

No. 35 has not been improved by Captain Mann, we therefore would propose that it be resumed by Government.

No. 36 was granted by the Land Committee to Mr. Larkins (who has already built extensively), and was by him transferred to the late Mr. Mercer, whose residence stood on the lot adjoining. Mr. Mercer had made preparations for further buildings; we would therefore recommend that his executors be permitted to retain this lot.

Nos. 37

Nos. 37 and 38. Neither of these lots have been improved by their respective claimants, we therefore propose that they be resumed by Government.

Nos. 39 and 40 were purchased by Mr. Matheson from the late Mr. Slade, and for the reasons already stated with regard to that gentleman's other lots, we would suggest that he be allowed to retain them.

No. 46 was an original grant to Messrs. Jardine, Matheson & Co., and we recommend that it be entitled to the same favourable consideration as those already mentioned.

No. 49. This lot (an original grant to Mr. Strachan) has been cut down and prepared for building. We would therefore submit that it be confirmed.

Nos. 56, 57, 58, and 59 are an original grant to Messrs. Gibb, Livingston & Co., and have not yet been improved, but as those gentlemen have laid out a large sum on their other property, we would recommend this case to favourable consideration.

Nos. 64 and 65. An original grant to the late Mr. Pybus, and not yet improved; but we recommend the grant to be confirmed, as the late incumbent had laid out a considerable sum in improving his other lots.

Nos. 68 and 69. An original grant to Messrs. Gibb, Livingston & Co., and we submit it to the same favourable consideration as their unimproved lots already alluded to.

No. 72 was transferred to Capt. Warden, and remains unimproved; we can see no reason to recommend a confirmation of this grant.

No. 73. The present incumbents are unable to establish an authenticated claim to this lot, no record of the grant being made in this office; but one member of this committee, Mr. Stewart, is aware that the grant was made, and we therefore recommend the case to the favourable consideration of his Excellency.

No. 74. The circumstances of this case are exactly the same as the preceding, and we therefore recommend it to the same favourable consideration.

No. 75 was granted by the Land Committee to Capt. Larkins (in exchange for another lot required by Government), and by him transferred to the late Mr. Mercer, who had made preparations for building upon it, and we would therefore submit that the grant be confirmed to his executors.

No. 88 was granted by the Land Committee "as a loan to Mr. Young for a dispensary," as appears on record in the Land-office. A small house was built upon it, but the dispensary being now established in another place, we recommend that the lot be resumed and sold, with the condition that the purchaser pay Mr. Young for the building a sum which shall be declared by the land officer before the lot is put up, or that the present occupier be allowed to retain it, at the average rate obtained at the sale for similar lots.

*Suburban Lots.*

No. 1. This lot was given by Capt. Elliot to Major Caine, who expended a considerable sum on it, and was by Mr. Johnston's order classed as a suburban lot. Major Caine transferred it to Messrs. Dent & Co., who have built extensively, and we would therefore recommend that they be permitted to retain it, in whichever class his Excellency may think proper to place it.

No. 3. Capt. Larkins having built extensively on his other lots, we would submit his case to favourable consideration.

No. 4. Messrs. Holliday, Wise & Co. having improved all their other lots, we would suggest that they may be allowed to retain this one.

No. 5. We would recommend this lot to be resumed, Mr. Pike not having improved it.

No. 9. This lot was lent to Mr. Parkinson, who was an inspector of roads, and when he left, it was sold by order of Government and purchased by Mr. Jardine.

No. 12. We see no reason for recommending this lot to be confirmed.

No. 13. This lot was granted in what is now a valuable part of the town, but Mr. Oswald having expended a considerable sum on his other lots, we would submit that he be allowed to retain a smaller lot in that locality.

No. 14. This lot is under circumstances similar to No. 13; we therefore recommend it to the same favourable consideration.

No. 15. Mr. Webster having built on all his other lots in the town, and this one being situate far to the westward, and not likely to interfere with any improvements of the town, we would recommend that the grant be confirmed.

No. 16. Registered as a site for a school, but nothing having been done towards improving it, we recommend that it be resumed.

No. 17. This lot, which has not yet been improved, is situate near Tytam.

No. 21. This lot has not yet been defined, but under the circumstances of the case, we would recommend that the grant be confirmed.

No. 23. Mr. Matheson is unable to establish an authenticated claim to this lot, which is situate at the top of the hill known as the Black Mount; in consideration, however, of the sum which Mr. Matheson has expended, we recommend the case to the favourable consideration of his Excellency.

We would not recommend that any of these lots should be confirmed to the extent of five acres, as originally granted. The size we would make to depend on the circumstances of each particular case.

*Marine Lots.*

No. 20. This lot, which remains unimproved, we would recommend to be resumed by Government.

No. 68. This lot has not been improved, but Messrs. Gibb, Livingston & Co. having already laid out a large sum on their other property, we would recommend that they be allowed to retain this.

No. 69. Captain Pybus has not improved this lot, but he had built extensively on his other property, and we would therefore recommend the case to the favourable consideration of his Excellency.

Nos. 72 and 73. These lots were granted by the Land Committee to Messrs. Jardine, Matheson & Co. in exchange for other marine lots (on which they had erected buildings), and we would therefore submit that they be permitted to retain them, though they have not yet been improved.

We beg in conclusion to suggest that the amount of ten (10) years' rental should be inserted in the leases as the sum to be expended on the premises by the lessee, and that one (1) year's time should be allowed him for the purpose.

No. 4.

We have also drawn up, and enclosed for his Excellency's approval, a List of the Fees to be taken at the Land-office on the granting of the leases, &c.

We have, &c.
(signed) *R. Burgass.*
*A. T. Gordon.*
*C. St. George Cleverly.*
*C. E. Stewart.*

To Richard Woosnam, Esq.
Officiating Deputy Colonial Secretary.

(A true copy.)

(signed) *Richard Woosnam.*

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PROPOSED SYSTEM of CLASSIFICATION of all LOTS (not being Marine) which have been, or may be Disposed of, in the Island of *Hong Kong*.

| Number of Classes. | Annual Rent per 105 feet square. | Being at the Rate of per Acre per Annum, nearly |
|---|---|---|
| | £. s. d. | £. s. d. |
| 1 | 40 – – | 160 – – |
| 2 | 30 – – | 120 – – |
| 3 | 25 – – | 100 – – |
| 4 | 20 – – | 80 – – |
| 5 | 15 – – | 60 – – |
| 6 | 10 – – | 40 – – |
| 7 | 5 – – | 20 – – |
| 8 | 3 – – | 12 – – |
| 9 | 1 10 – | 6 – – |
| 10 | – 15 – | 3 – – |
| 11 | – 10 – | 2 – – |
| 12 | – 5 – | 1 – – |
| 13 | – 2 6 | – 10 – |

c

(signed) *R. Burgass.*
*A. T. Gordon.*
*C. St. George Cleverly.*
*C. E. Stewart.*

Land Office, Victoria, Hong Kong,
13 January 1844.

(True copy.)

*Richard Woosnam.*

CLASSIFIED LIST of all Lots (not Marine) disposed of in the Island of *Hong Kong* previous to the 26th of June 1843.

| Former Number of Lot. | Former Denomination of Lot. | Description of Ground. | Number of Class. | Rent per Annum per 105 feet square. £. s. d. | Incumbent's Name. |
|---|---|---|---|---|---|
| 1 | Town - | -- available for building purposes. | 3 | 25 - - | Mr. Edwards. |
| 2 | - - - | - | 4 | 20 - - | Dr. Bridgman. |
| 3 | - - - | - | 5 | 15 - - | Mr. Holgate. |
| 4 | - - - | - | 1 | 40 - - | Mr. Duus. |
| 5 | - - - | - | 4 | 20 - - | Ditto. |
| 6 | - - - | - | 1 | 40 - - | Mr. Lane. |
| 7 | - - - | - | 1 | 40 - - | Ditto. |
| 8 | - - - | - | 2 | 30 - - | -- Messrs. Gibb, Livingston & Co. |
| 9 | - - - | - | 2 | 30 - - | |
| 10 | - - - | - | 1 | 40 - - | Mr. Oswald. |
| 11 | - - - | - | 3 | 25 - - | Ditto. |
| 12 | - - - | - | 1 | 40 - - | Mr. Almack |
| 13 | - - - | - | 3 | 25 - - | Ditto. |
| 14 | - - - | - | 2 | 30 - - | Mr. M'Culloch. |
| 15 | - - - | - | 2 | 30 - - | Mr. Young. |
| 16 | - - - | - | 1 | 40 - - | -- Claimed by Mr. Edwards and Mr. Burd, to be sold by order of H. E. the Governor. |
| 17 | - - - | - | 1 | 40 - - | Mr. Markwick. |
| ½ 18 | - - - | - | 2 | 30 - - | Mr. Just. |
| ½ 18 | - - - | - | 2 | 30 - - | Mr. Hughesdon. |
| 19 | - - - | - | 1 | 40 - - | Mr. Jackson. |
| ½ 20 | - - - | - | 2 | 30 - - | Carr and Christopher. |
| ½ 20 | - - - | - | 2 | 30 - - | Aying. |
| 21 | - - - | - | 2 | 30 - - | Ditto. |
| ½ 22 | - - - | - | 1 | 40 - - | Baretto and Thomson. |
| ½ 22 | - - - | - | 1 | 40 - - | Akow. |
| 23 | - - - | - | 1 | 40 - - | Mr. Henderson. |
| 24 | - - - | - | 5 | 15 - - | Mr. Murrow. |
| 25 | - - - | - | 6 | 10 - - | |
| 26 | - - - | - | 2 | 30 - - | Mr. Borton. |
| 27 | - - - | - | 4 | 20 - - | Jardine, Matheson & Co. |
| 28 | - - - | - | 4 | 20 - - | Ditto. |
| 29 | - - - | - | 4 | 20 - - | Ditto. |
| 30 | - - - | - | 4 | 20 - - | Ditto. |
| 31 | - - - | - | 4 | 20 - - | Ditto. |
| 32 | - - - | - | 4 | 20 - - | Ditto. |
| 33 | - - - | - | 2 | 30 - - | Mr. Wilkinson. |
| 34 | - - - | - | 2 | 30 - - | Mr. Harton. |
| 35 | - - - | - | 4 | 20 - - | Captain Mann. |
| 36 | - - - | - | 5 | 15 - - | -- Executors of the late Mr. Mercer. |
| 37 | - - - | - | 5 | 15 - - | Mr. Woodrow. |
| 38 | - - - | - | 5 | 15 - - | Captain Reynolds. |
| 39 | - - - | - | 4 | 20 - - | Mr. Matheson. |
| 40 | - - - | - | 4 | 20 - - | Ditto. |
| 41 | - - - | - | 4 | 20 - - | Jamsetjee Naserwanjee. |
| 42 | - - - | - | 4 | 20 - - | Jardine, Matheson & Co. |
| 43 | - - - | - | 1 | 40 - - | Mr. Jackson. |
| 44 | - - - | - | 4 | 20 - - | Mr. M'Knight. |
| 45 | - - - | - | 1 | 40 - - | Shaik Madeen. |
| 46 | - - - | - | 4 | 20 - - | Jardine, Matheson & Co. |
| 47 | - - - | - | 4 | 20 - - | Messrs. Holliday, Wise & Co. |
| 48 | - - - | - | 4 | 20 - - | Ditto. |
| 49 | - - - | - | 5 | 15 - - | Mr. Strachan. |
| 50 | - - - | - | 3 | 25 - - | Signor Filiciani. |
| 51 | - - - | - | 3 | 25 - - | Ditto. |
| 52 | - - - | - | 2 | 30 - - | Ditto. |
| 53 | - - - | - | 2 | 30 - - | Gibb, Livingston & Co. |
| 54 | - - - | - | 2 | 30 - - | Ditto. |
| 55 | - - - | - | 4 | 20 - - | Mr. Oswald. |
| 56 | - - - | - | 5 | 15 - - | Gibb, Livingston & Co. |
| 57 | - - - | - | 5 | 15 - - | Ditto. |
| 58 | - - - | - | 5 | 15 - - | Ditto. |
| 59 | - - - | - | 5 | 15 - - | Ditto. |
| 60 | - - - | - | 4 | 20 - - | Mr. Walker. |
| 61 | - - - | - | 4 | 20 - - | Ditto. |
| 62 | - - - | - | 4 | 20 - - | Mr. White. |

(*continued*)

Appendix, No. 1.

Report on Tenure of Land.

| Former Number of Lot. | Former Denomination of Lot. | Description of Ground. | Number of Class. | Rent per Annum per 105 feet square. £. s. d. | Incumbent's Name. |
|---|---|---|---|---|---|
| 63 | Town - | - - available for building purposes. | 4 | 20 – – | Mr. White. |
| 64 | — - - | — | 3 | 25 – – | Executors of Captain Pybus. |
| 65 | — - - | — | 4 | 20 – – | Ditto. |
| 66 | — - - | — | 5 | 15 – – | Mr. Webster. |
| 67 | — - - | — | 5 | 15 – – | Ditto. |
| 68 | — - - | — | 4 | 20 – – | Gibb, Livingston & Co. |
| 69 | — - - | — | 3 | 25 – – | Ditto. |
| 70 | — - - | — | 2 | 30 – – | Seedew. |
| 71 | — - - | — | 5 | 15 – – | Mr. Edwards. |
| 72 | — - - | — | 3 | 25 – – | Captain Warden. |
| 73 | For 105 feet frontage - | | 1 | 40 – – | - - Executors of the late Captain Morgan. |
| | — - - remainder - | | 3 | 20 – – | |
| 74 | For 105 feet frontage - | | 1 | 40 – – | - - Lieut.-colonel Malcolm and Mr. Woosnam. |
| | — - - remainder - | | 3 | 20 – – | |
| 75 | Town - | — | 5 | 15 – – | - - Executors of the late Mr. Mercer. |
| 76 | — - - | — | 4 | 20 – – | Mr. Matheson. |
| 77 | — - - | — | 1 | 40 – – | Messrs. Webster Kinsley. |
| 78 | — - - | — | 2 | 30 – – | Mr. Shuik. |
| 79 | — - - | — | 5 | 15 – – | - - Executors of the late Mr. Mercer. |
| 80 | — - - | — | 2 | 30 – – | Mr. Young. |
| 81 | — - - | — | 4 | 20 – – | Jardine, Matheson & Co. |
| 82 | — - - | — | 2 | 30 – – | Mr. Johnston. |
| 83 | — - - | — | 7 | 5 – – | Mr. Stewart. |
| 84 | — - - | — | 5 | 15 – – | - - The Morrison Education Society. |
| 85 | — - - | — | 5 | 15 – – | Medical Missionary Society. |
| 86 | — - - | — | 5 | 15 – – | - - Committee of Heerseebhoy Hospital. |
| 87 | — - - | — | 4 | 20 – – | Messrs. Holliday, Wise & Co. |
| 88 | — - - | — | 4 | 20 – – | Ditto. |
| 1 | Suburban - | — | 4 | 20 – – | Messrs. Dent & Co. |
| 2 | Available - | — | 5 | 15 – – | - - Messrs. Jardine, Matheson & Co. |
| | Rough - | — | 11 | – 10 – | |
| 3 | — - - | — | 5 | 15 – – | Captain Larkins. |
| 4 | — - - | — | 7 | 5 – – | Messrs. Holliday, Wise & Co. |
| 5 | — - - | — | 7 | 5 – – | Mr. Pike. |
| 6 | Available - | — | 6 | 10 – – | - - Messrs. Jardine, Matheson & Co. |
| | Uneven - | — | 11 | – 10 – | |
| 7 | Available - | — | 6 | 10 – – | |
| | Uneven - | — | 11 | – 10 – | |
| 8 | Available - | — | 7 | 5 – – | Mr. Burn. |
| | Uneven - | — | 11 | – 10 – | |
| 9 | — - - | — | 7 | 5 – – | Mr. Jardine. |
| 10 | — - - | — | 5 | 15 – – | Mr. Edwards. |
| 11 | — - - | — | 6 | 10 – – | Ditto. |
| 12 | — - - | — | 8 | 3 – – | Messrs. Rustomjee & Co. |
| 13 | Suburban - | — | 8 | 3 – – | Mr. Oswald. |
| 14 | — - - | — | 8 | 3 – – | Mr. White. |
| 15 | — - - | — | 8 | 3 – – | Mr. Webster. |
| 16 | — - - | — | 7 | 5 – – | Mr. Bridgman. |
| 17 | — - - | — | 7 | 5 – – | Mr. Johnston. |
| 18 | — - - | — | 7 | 5 – – | Mr. Gillespie. |
| 19 | — - - | — | 7 | 5 – – | Mr. Fletcher. |
| 20 | — - - | — | 8 | 3 – – | |
| 21 | — - - | - - not marked out. | - - | - - - | - - Messrs. Jardine, Matheson & Co. |
| 22 | — - - | — - - | 7 | 5 – – | - - Executors of the late Captain Morgan. |
| 23 | — - - | — - - | 13 | – 2 6 | Mr. Matheson. |

(signed) *R. Burgass.*
*A. T. Gordon.*
*C. St. George Cleverly.*
*C. E. Stewart.*

Land-Office, Victoria, Hong Kong,
13 January 1844.

(True copy.)
(signed) *Richard Woosnam.*

LIST of Town Lots disposed of in the Island of *Hong Kong*, previous to the 26th of June 1843.

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms Acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 1 | A. R. Johnston, esq. | Samuel Fearon - | - No specific terms. | Mr. Edwards - | - - Transferred without any specific terms. | 2,000 | - A small dwelling-house built on the lot. |
| 2 | Ditto - - | Henry Holgate - | ditto - | Dr. Bridgman - | - - Said to be purchased from Mr. Morrison. | 7,000 | - A large dwelling-house built. (*See* Report.) |
| 3 | Ditto - - | Ditto - - | ditto - | Henry Holgate - | - - - | - - | - - Mr. Holgate commenced levelling the wrong lot. (*See* Report.) |
| 4 | Ditto - - | N. Duus - - | ditto - | N. Duus - - | - - - | 2,000 | - - A row of shops built. |
| 5 | Ditto - - | Ditto - - | ditto - | Ditto - - | - - - | 2,000 | - A dwelling-house in cantonments. |
| 6 & 7 | Ditto - - | A. R. Labtatt - | ditto - | Mr. Lane - - | - - Purchased at public auction. | 9,000 | - - A large house built. |
| 8 & 9 | Ditto - - | R. Oswald - | ditto - | - - Messrs. Gibb, Livingston & Co. | - - Transferred by Mr. Oswald. | 4,000 | - A dwelling-house built. |
| ½ of 10 | Ditto - - | John Hudson - | ditto - | Mr. Oswald - | - - Transferred by John Hudson. | 1,000 | - - Chinese shops built. |
| ½ of 10 and 11 | Ditto - - | Ditto - - | ditto - | Ditto - - | - - Transferred by John Hudson. | 1,000 | - - Part of this lot will be taken up by a road. |
| 12 & 13 | Ditto - - | Wm. Almack | ditto - | Wm. Almack - | - - - | 6,000 | - - Shops and a dwelling - house built. |
| 14 | Ditto - - | C. V. Gillespie - | ditto - | Mr. M'Culloch - | - - Transferred by Mr. Gillespie. | 3,000 | - A dwelling-house built. |
| 15 | Ditto - - | Ditto - - | ditto - | Mr. P. Young - | - - Transferred by Mr. Gillespie. | - - | - - Unimproved. (*See* Report.) |
| 16 | Ditto - - | F. W. Zabell - | ditto - | Mr. Edwards - | - - Transferred by Mr. Whichelo. | 100 | - - To be sold by order of his Excellency the Governor. |
| 17 | Ditto - - | C. Markwick - | ditto - | Mr. Markwick - | - - - | - - | - - Unimproved. (*See* Report.) |
| ½ of 18 | Ditto - - | R. Edwards - | ditto - | Mr. L. Just - | - - Transferred by Mr. Edwards. | 4,000 | - A large dwelling-house built. |
| ½ of 18 | Ditto - - | Ditto - - | ditto - | Mr. C. Hughesdon | - - Transferred by Mr. Edwards. | 4,000 | - A large dwelling-house built. |
| 19 | Ditto - - | A. Molbye - | ditto - | Mr. Jackson - | - - Transferred by Mr. Molbye. | 2,500 | Stores built. |
| ½ of 20 | Ditto - - | Aying - - | ditto - | - - Messrs. Carr & Christopher. | - - Transferred by Aying. | 1,500 | - A dwelling-house built. |
| ½ of 20 | Ditto - - | Ditto - - | ditto - | Aying - - | - - - | 200 | China shops built. |
| 21 | Ditto - - | Ditto - - | ditto - | Ditto - - | - - - | 500 | China shops built. |
| ½ of 22 | Ditto - - | Akow - - | ditto - | - - Messrs. Barretts & Thompson. | - - Transferred by Messrs. Smith & Woolner. | 500 | - - China houses built. |
| ½ of 22 | Ditto - - | Ditto - - | ditto - | Akow - - | - - - | 500 | - China houses and bakery built. |
| 23 | Ditto - - | Mr. Henderson - | ditto - | Mr. Henderson - | - - - | 600 | China shops built. |
| 24 25 | Ditto - - | Mr. Murrow - | ditto - | Mr. Murrow - | - - - | 4,000 | - A large dwelling-house built. |
| 26 | Ditto - - | J. Borton - - | ditto - | J. Borton - - | - - - | 2,000 | - - A large house built. |
| 27 | Ditto - - | Messrs. Leighton & Co. | ditto - | - - Jardine, Matheson & Co. | - - Transferred by Leighton & Co. | 5,000 | - - A warehouse built. |
| 28 | Ditto - - | Mr. Hogg - | ditto - | - Messrs. Jardine, Mattheson & Co. | - - Transferred by Mr. Hogg. | - - | Unimproved |
| 29 | Ditto - - | Mr. C. B. Hillier | ditto - | Ditto - - | - - Transferred by Mr. Hillier. | - - | Unimproved |
| 30 | Ditto - - | Mr. Leggett - | ditto - | Ditto - - | - - Transferred by Mr. Leggett. | - - | Unimproved |
| 31 | Ditto - - | Mr. Baldwin - | ditto - | Ditto - - | - - Transferred by Mr. Baldwin. | - - | Unimproved |
| 32 | Ditto - - | Mr. Pike - - | ditto - | Ditto - - | - - Transferred by Holliday, Wise & Co. | - - | Unimproved |

*See* Report.



(*continued*)

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms Acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 33 | A. R. Johnston, esq. | Mr. Harton - | - No specific terms | Mr. Wilkinson - | - Transferred by Mr. Harton. | 1,600 | - - Chinese shops built. |
| 34 | Ditto - - | Ditto - - | ditto - | Mr. Harton - | - - - | - - | - - Unimproved. (*See* Report.) |
| 35 | Ditto - - | Captain Mann - | ditto - | Capt. Mann - | - - - | - - | - - Unimproved. (*See* Report.) |
| 36 | Land Committee | Mr. Larkins - | ditto - | Executors of the late Mr. Mercer. | - Transferred by Mr. Larkins. | 200 | - - Prepared for building. (*See* Report.) |
| 37 | A. R. Johnston, esq. | Mr. Woodrow - | ditto - | Mr. Woodrow - | - - - | - - | - - Unimproved, in cantonments. (*See* Report.) |
| 38 | Ditto - - | Mr. Reynell - | ditto - | Mr. Reynell - | - - - | - - | - - Unimproved, in cantonments. (*See* Report.) |
| 39<br>40 | Ditto - - | Mr. Slade - - | ditto - | - Messrs. Jardine, Matheson & Co. | - Transferred by Mr. Slade. | - - | - - Unimproved. (*See* Report.) |
| 41 | Ditto - - | Jamsetjee Naserwanjee. | ditto - | - - Jamsetjee Naserwanjee. | - - - | 600 | - Chinese houses built. |
| 42 | Ditto - - | Captain Ramsay | ditto - | - Messrs. Jardine, Matheson & Co. | - Transferred by Capt. Ramsay. | 3,000 | A dwelling-house built, in cantonments. |
| 43 | Ditto - - | Mr. C. V. Gillespie | ditto - | Mr. Jackson - | - Transferred by Mr. Gillespie. | 2,500 | - An hotel built. |
| 44 | Ditto - - | Mr. J. Rees - | ditto - | Mr. M'Knight - | - Transferred by Messrs. Smith & Woolner. | 1,000 | A dwelling-house built. |
| 45 | Ditto - - | Shaik Madeen - | ditto - | Shaik Madeen - | - - - | 200 | - - A small house. |
| 46 | Ditto - - | Messrs. Jardine, Matheson & Co. | ditto - | - Messrs. Jardine, Matheson & Co. | - - - | - - | - - Unimproved. (*See* Report.) |
| 47<br>48 | Ditto - - | Messrs. Holliday, Wise & Co. | ditto - | - - Messrs. Holliday, Wise & Co. | - - - | 1,500 | A dwelling-house built. |
| 49 | Ditto - - | Mr. Strachan - | ditto - | Mr. Strachan - | - - - | 400 | - - Hill cut down, ready to build upon, in cantonment land. (*See* Report.) |
| 50<br>51<br>52 | Ditto - - | Mr. Joset, Prefect of the Propaganda Society. | - - As a site for a Roman Catholic Chapel and School. | - - The Rev. Signor Feliciani. | - - By the death of Mr. Joset, late Prefect. | 8,000 | - - A chapel and residence have been built. |
| 53<br>54 | Ditto - - | Mr. Oswald - | - No specific terms. | Messrs. Gibb, Livingston & Co. | - - No specific terms. | 5,000 | A dwelling-house and offices built. |
| 55 | Ditto - - | Ditto - - | ditto - | Mr. Oswald - | ditto - - | 2,000 | A dwelling-house built. |
| 56<br>57<br>58<br>59 | Ditto - - | Messrs. Gibb, Livingston & Co. | ditto - | Messrs. Gibb, Livingston & Co. | ditto - - | - - | - Remains unimproved. *See* Report.) |
| 60 & 61 | Ditto - - | Mr. Walker - | ditto - | Mr. Walker - | ditto - - | 1,000 | A dwelling-house built. |
| 62<br>63 | Ditto - - | Mr. White - | ditto - | Mr. White - | - - - | 2,500 | - - A large dwelling house built. |
| 64<br>65 | Ditto - - | Mr. Pybus - | ditto - | - - Executors of Mr. Pybus. | - - - | - - | - Remain Unimproved. (*See* Report.) |
| 66<br>67 | Ditto - - | Mr. Webster - | ditto - | Mr. Webster - | - - - | 500 | A dwelling-house built. |
| 68<br>69 | Ditto - - | Messrs. Gibb, Livingston & Co. | ditto - | Messrs. Gibb, Livingston & Co. | - - - | - - | - Remain unimproved. (*See* Report.) |
| 70 | Ditto - - | Shaik Madeen - | ditto - | Seeden - | - - - | 600 | - Chinese houses built. |

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 71 | A. R. Johnston, esq. | Mr. Shuck - | - No specific terms. | Mr. Edwards - | - - - | 2,000 | - - A house built, in cantonment land. |
| 72 | Ditto - - | Mr. Troget - | ditto - | Capt. Warden - | - - - | - - | - Remains unimproved. |
| 73 | Said to be by A. R. Johnston, esq. | Captain Morgan | - For a bazaar. | - - Executors of Capt. Morgan. | - - - | 10,000 | - A bazaar built. |
| 74 | Ditto - - | Major Malcolm & Mr. Woosnam. | ditto - | - - Lieut-colonel Malcolm and Mr. Woosnam. | - - - | 12,000 | - A bazaar built. |
| 75 | Land Committee | Mr. Larkins - | In exchange for a lot resumed by Government. | Executors of the late Mr. Mercer. | - - - | - - | - Remains unimproved. (*See* Report, Lot No. 35.) |
| 76 | Ditto - - | Capt. Morgan, for Mr. A. Matheson. | - - A site for a bazaar. | Mr. A. Matheson | - - - | 700 | - - Enclosed with sea-wall, and prepared for building. |
| 77 | Ditto - - | Capt. Meik - | ditto - | - - Messrs. Webster & Kinsley | - - - | 500 | - - Work stopped by order of H. E. the Governor, Capt. Meik not having fulfilled the conditions of the grant. |
| 78 | His Excellency the Governor | Mr. Shuck - | - - A site for a chapel and school-room. | Mr. Shuck | - - - | 5,000 | A chapel, school, and dwelling-house built. |
| 79 | Ditto - - | Mr. Mercer - | - A site for a dwelling-house | - Executors of the late Mr. Mercer. | - - - | 10,020 | - A large dwelling-house has been built. |
| 80 | Land Committee | Mr. Young - | - A site for a dispensary. | Mr. Young - | - - - | 800 | - - A small house built. (*See* Report.) |
| 81 | Ditto - - | - Messrs. Jardine, Matheson & Co. | - - As a site for a bazaar. | - Messrs. Jardine, Matheson & Co. | - - - | 5,000 | - - A large bazaar has been built. |
| 82 | His Excellency the Governor. | - A. B. Johnson, esq. | - A site for a dwelling-house, not to be sold without the consent of Government. | - A. R. Johnston, esq. | - - - | 6,000 | - - A dwelling-house built. |
| 83 | Ditto - - | - - C. E. Stewart, esq. | - A site for a dwelling-house, not to be sold without the consent of Government. | - - C. E. Stewart, esq. | - - - | 3,000 | - - A dwelling-house built. |
| 84 | Ditto - - | - "Morrison Education Society." | - A site for a college and other buildings required by the society. | - Morrison Education Society. | - - - | 9,000 | - - A college, library, and dwelling house have been built. |
| 85 | Ditto - - | - - Medical Missionary Society. | - A site for a hospital. | - - Medical Missionary Society. | - - - | 5,000 | - - A hospital and house for surgeon's residence have been built. |
| 86 | Ditto - - | - - Committee of the Heerjeebhoy Hospital. | - A site for a hospital. | - - Committee of the Heerjeebhoy Hospital. | - - - | 12,000 | - - Seamen's hospital and residence for a surgeon built. |
| 87<br>88 | Land Committee | - - Messrs. Holliday, Wise & Co. | - A site for a dwelling-house | - Messrs. Holliday, Wise & Co. | - - - | 1,000 | - - A dwelling-house built. |

LIST of SUBURBAN LOTS disposed of in the Island of *Hong Kong*, previous to the 26th of June 1843.

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 1 | Given by Captain Elliot. | Major Caine - | - No specific terms. | - - Messrs. Dent & Co. | - - Transferred by Major Caine. | 20,000 | - - A large house built. |
| 2 | A. R. Johnston, esq. | - Messrs. Jardine, Matheson & Co. | ditto - | - Messrs. Jardine, Matheson & Co. | - - - | 8,000 | - - Two bungalows, with office, have been built. |
| 3 | Ditto - - | Captain Larkins | ditto - | Captain Larkins | - - - | - - | - - Nothing has been done to this lot. (*See* Report.) |
| 4 | Ditto - - | - Messrs. Jardine, Matheson & Co. | ditto - | - Messrs. Holliday, Wise & Co. | - - Transferred by Messrs. Jardine, Matheson & Co. | - - | - - Unimproved. (*See* Report.) |
| 5 | Ditto - - | Mr. Pike - | ditto - | Mr. Pike - - | - - - | - - | - - Unimproved. (*See* Report.) |
| 6 | Ditto - - | - Messrs. Leighton & Co. | ditto - | - Messrs. Jardine, Matheson & Co. | - - Transferred by Messrs. Leighton & Co. | 400 | - - Cut down and prepared for building. |
| 7 | Ditto - - | Mr. Hogg - - | ditto - | Ditto - - | - - Transferred by Mr. Hogg. | 400 | - - Purchased by Messrs. Jardine, Matheson & Co. Ground prepared for building. |
| 8 | Ditto - - | Mr. Burn - | ditto - | Mr. Burn - | - - - | 1,000 | - - Hill cut down ready for building upon. |
| 9 | Ditto - - | Mr. Parkinson - | ditto - | Mr. Jardine - | - - - | 300 | - - A small house built. (*See* Report.) |
| 10 | Ditto - - | Major Caine - | ditto - | Mr. Edwards - | - - Transferred by Major Caine. | 1,400 | - - A small house built. |
| 11 | Ditto - - | Mr. Campbell - | ditto - | Mr. Edwards - | - - Transferred by Mr. Campbell. | 1,000 | - - A small house built. |
| 12 | Ditto - - | Mr. Gribble - | ditto - | - Messrs. Rustomjee & Co. | - - Transferred by Mr. Gribble. | - - | - - Unimproved. (*See* Report.) |
| 13 | Ditto - - | Mr. Oswald - | ditto - | Mr. Oswald - | - - - | - - | - - Unimproved. (*See* Report.) |
| 14 | Ditto - - | Mr. White - | ditto - | Mr. White - | - - - | - - | - - Unimproved. (*See* Report.) |
| 15 | Ditto - - | Mr. Webster - | ditto - | Mr. Webster - | - - - | - - | - - Unimproved. (*See* Report.) |
| 16 | Ditto - - | Mr. Bridgman - | - Grant as a site for a school. | Mr. Bridgman - | - - - | - - | - - Unimproved. (*See* Report.) |
| 17 | Ditto - - | Mr. Johnston - | - No specific terms. | Mr. Johnston - | - - - | - - | - - Unimproved. (*See* Report.) |
| 18 | Ditto - - | Mr Gillespie - | ditto - | Mr. Gillespie - | - - - | 1,000 | - - Building commenced. |
| 19<br>20 | Ditto - - | Mr. Fletcher - | ditto - | Mr. Fletcher - | - - - | 2,000 | - - Two bungalows, with offices, have been built. |
| 21 | Ditto - - | - Messrs. Jardine, Matheson & Co. | ditto - | - Messrs. Jardine, Matheson & Co. | - - - | - - | - - Unimproved. This lot was granted by the Land Committee in exchange for a marine lot, required by Government. (*See* Report.) |
| 22 | Ditto - - | Mr. Stewart - | ditto - | - - Executors of the late Captain Morgan. | - - Transferred by Mr. Stewart. | 8,000 | - - A bungalow and a row of houses have been built. |
| 23 | Ditto - - | - - - | ditto - | Matheson - - | - - - | 2,000 | - - A bungalow built. (*See* Report.) |

LIST of MARINE LOTS disposed of in the Island of *Hong Kong*, previous to the 26th of June 1843.

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 1 | - - Sold by Captain Elliot. | - - Messrs. Gibs, Hughes & Co. | - - On condition of 1,000 dollars being laid out on it within six months. | Government - | - - Abandoned by the purchasers. | - - | - - Reserved opposite Government house. |
| 2 | Ditto - - | - - Messrs. Lindsay & Co. | ditto - | - - Messrs. Lindsay & Co. | - - - | 20,000 | - - A large godown built. |
| 3 } 4 } | Ditto - - | - - Messrs. Dent & Co. | ditto - | - - Messrs. Dent & Co. | - - - | 25,000 | A large godown. |
| 5 | Ditto - - | - Dadabhoy Rustomjee. | ditto - | - Dadabhoy Rustomjee. | - - - | 1,000 | - - Enclosed by a rough sea wall. |
| 6 | Ditto - - | - Messrs. Hooker & Lane. | ditto - | Government - | - - Abandoned by the purchasers. | - - | - - Harbour-master's landing place. |
| 7 | Ditto - - | - Pestonjee Cowasjee. | ditto - | ditto - - | - - Abandoned and forfeited. | - - | - - Now known as No. 67. |
| 8 | Ditto - - | - Messrs. Dirom & Co. | ditto - | ditto - - | ditto - - | - - | - - Now known as No 61. |
| 9 | - - - | - - Reserved by Government. | - - - | - - - | - - - | - - | - - This lot was afterwards divided; part is now known as No. 62. |
| 10 } 11 } | - - Sold by Captain Elliot. | - - Heerjeebhoy Rustomjee. | ditto - | - - Messrs. Jardine, Matheson & Co. | - - Transferred by order of Heerjeebhoy Rustomjee. | 6,000 | - - A large godown and sea-wall built. |
| 12 | Ditto - - | - - Messrs. Holliday, Wise & Co. | ditto - | - - Messrs. Holliday, Wise & Co. | - - - | 20,000 | - - A dwelling-house, godown, & sea-wall built. |
| 13 | Ditto - - | - - Messrs. Gemmell & Co. | ditto - | Mr. Pedder - | - - Transferred by Messrs. Gemmell & Co. | 3,500 | A godown built. |
| 14 | Ditto - - | - - Messrs. Ferguson, Leighton & Co. | ditto - | Government - | - - Abandoned by the purchasers. | - - | - - A public landing place. |
| 15 | Ditto - - | Mr. Webster - | ditto - | Mr. Webster - | - - - | 6,100 | - A dwelling-house of some Chinese shops. |
| 16 | - - - | - - Reserved by Government. | - - - | - - - | - - - | - - | - - Government market, No. 1. |
| 17 | - - - | ditto - - | - - - | - - - | - - - | - - | - - Reserved for extension of market-place. |
| 18 | - - - | ditto - - | - - - | - - - | - - - | - - | - - Part of this lot was afterwards sold, and is now known as No. 53. |
| 19 | - - - | ditto - - | - - - | - - - | - - - | - - | - - This lot was afterwards sold, & is now known as 54. |
| 20 | - - Sold by Captain Elliot. | - Dadabhoy Rustomjee. | ditto - | - Dadabhoy Rustomjee. | - - - | - - | - - Unimproved. (*See* Report.) |
| 21 | Ditto - - | - - Messrs. Innes, Fletcher & Co. | ditto - | - Messrs. Fletcher & Co. | - - - | 25,000 | - - An extensive dwelling-house & godowns, with a sea-wall and pier built. |
| 22 | Ditto - - | - - Messrs. Gemmell & Co. | ditto - | - - Messrs. Gemmell & Co. | - - - | 30,000 | - A large dwelling-house, with extensive godowns and offices have been built. |
| 23 | - - - | - - Reserved by Government. | - - - | - - - | - - - | - - | Ordnance stores. |
| 24 | - - Sold by Captain Elliot. | - - Heerjeebhoy Rustomjee. | ditto - | Government - | - - Abandoned by the purchaser. | - - | Ordnance stores. |
| 25 | Ditto - - | - - Reserved by Government. | ditto - | - - - | - - - | - - | Ordnance stores. |

(*continued*)

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $ | |
| 26 27 28 | Sold by Captain Elliot. | Messrs Jardine, Matheson & Co. | On condition of the sum of 1,000 dols. being laid out on it within six months. | Government | On condition of giving Messrs. Jardine, Matheson & Co., lots elsewhere. | - | Commissariat Stores. |
| 29 | - | - | - | - | - | - | No such lot. |
| 30 | Sold by Captain Elliot. | Mr. Gully | ditto | Government | Abandoned by the purchaser. | - | Used as a Government timber-yard. |
| 31 | - | - | - | - | - | - | No such lot. |
| 32 | Sold by Captain Elliot. | Messrs. Jamieson, How & Co. | ditto | - | Abandoned and forfeited. | - | Not known as No. 65. |
| 33 34 | Ditto | Mr. Smith | ditto | Government | Abandoned and forfeited. | - | Used as a Government timber-yard. |
| 35 | - | - | - | - | - | - | No such lot. |
| 36 | Sold by Captain Elliot. | Framjee Jamsetjee. | ditto | Framjee Jamsetjee. | - | 1,000 | A small house and rough sea-wall built. |
| 37 | Ditto | - | ditto | - | - | - | No such lot. |
| 38 | Sold by Captain Elliot. | Mr. Hart | ditto | - | Abandoned and forfeited. | - | Now known as No. 64. |
| 39 | - | - | - | - | - | - | No such lot. |
| 40 41 | Sold by Captain Elliot. | Messrs. Macvicar & Co. | ditto | Messrs. Macvicar & Co. | - | 25,000 | A large godown and dwelling-house, with a sea wall and pier, have been built. |
| 42 | Ditto | Messrs. Fox, Rawson & Co. | ditto | Messrs. Fox, Rawson & Co. | - | 14,000 | A godown and dwelling-house built. |
| 43 | Ditto | Messrs. Turner & Co. | ditto | Messrs. Turner & Co. | - | 18,000 | A dwelling-house and extensive godowns built. |
| 44 | - | Reserved by Government. | - | - | - | - | Vacant. |
| 45 | - | - | - | - | - | - | A water-course. |
| 46 | Sold by Captain Elliot. | Captain Larkins | ditto | Captain Larkins. | - | 5,000 | Godowns built; also a pier and sea wall. |
| 47 | Ditto | Mr. Robertson | ditto | Mr. Robertson | - | 12,000 | Very extensive stores have been built. |
| 48 | - | - | - | - | - | - | No such lot. |
| 49 | - | - | - | - | - | - | No such lot. |
| 50 | - | - | - | - | - | - | No such lot. |
| 51 52 | Sold by Captain Elliot. | Messrs. Jardine, Matheson & Co. | - | Messrs. Jardine, Matheson & Co. | - | 100,000 | Very extensive godowns, with dwelling-houses and offices, sea wall and pier, have been built. |
| 53 | By Mr. Johnson, at the average rate of Captain Elliot's sale. | Mr. Fearon | ditto | Mr. Fearon | - | 8,000 | Godowns and pier built; this was part of reserved lot No. 18, of Captain Elliot's sale. |

| No. | By whom Granted. | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 54 | By Mr. Johnston, at the average rate of Captain Elliot's sale. | Mr. Oswald - | -- On condition of 1,000 dollars being laid out on it within six months. | Chinam - - | -- Transferred by Mr. Oswald. | 10,000 | - - A godown had been built by Mr. Oswald, and very extensive buildings have since been erected by Chinam, a Chinese merchant. |
| 55 | Ditto - - | Mr. Challaye - | ditto - | Mr. M'Queen - | -- Sold by the trustees of Mr. Mark Moss. | 12,000 | - - This lot was transferred by Mr. Challaye to Mr. Allanson; by him to Mr. Edwards; again transferred to Mr. M. Moss, and it has now been purchased by Mr. M'Queen. A large godown built. |
| 56 | Ditto - - | Mr. Holgate - | ditto - | Mr. Scott - - | -- Transferred by Mr. Holgate. | 8,000 | - - A godown, dwelling-house, and offices built. |
| 57 | Ditto - - | - - Mr. Murrow, Attorney for Messrs. Jamieson, How & Co. | ditto - | -- Messrs. Jamieson, How & Co. | - - - | 3,000 | - - A godown has been built. |
| 58 | Mr. Johnston - | Captain Pybus - | ditto - | - - Executors of the late Captain Pybus. | - - - | 3,500 | - - A godown has been built. |
| 59 | Ditto - - | -- Messrs. Gemmell & Co. | ditto - | -- Messrs. Gemmell & Co. | - - - | - - | - - This was a narrow piece of ground, granted to Messrs. Gemmell & Co. in addition to their original purchase, and forms part of the site on which their godowns stood. |
| 60 | Ditto - - | Framjee Jamsetjee | ditto - | Framjee Jamsetjee | - - - | - - | - - A small portion granted in addition to the lot No. 36, purchased at Captain Elliot's sale. |
| 61 | Ditto - - | Mr. Edwards - | ditto - | Mr. Braine - | -- Purchased at public auction. | - - | - - This lot was sold by order of C. E Stewart, esq. on the decease of Messrs. Bates and Kent, intestate. |
| 62 | Ditto - - | Mr. Markwick - | ditto - | Mr. Bowra - | -- Transferred by Mr. Markwick. | 1,500 | A godown built. |
| 63 | Land Committee | Mr. White - | ditto - | Mr. White - | - - - - | 1,600 | - - This lot was given to Mr. White in exchange for one opposite Government Hill, which was resumed. Chinese shops have been built. |
| 64 | Mr. Johnston - | - - Mr. Dale, for Dirom & Co. | ditto - | -- Messrs. Dirom & Co. | - - - | 1,500 | - - Enclosed with a sea wall, and filled in. |
| 65 | Ditto - - | - - Messrs. Holliday, Wise & Co. | ditto - | - - Messrs. Holliday, Wise & Co. | - - - | 1,600 | - - Enclosed with a sea wall. |
| 66 | - - - | - - - - | - - - | - - - - | - - - | - - | No such lot. |
| 67 | Mr. Johnston - | - - Pestonjee Cowasjee. | ditto - | - - Pestonjee Cowasjee. | - - - | 3,000 | - - A dwelling-house and sea wall built. |



(continued)

| No. | By whom Granted | To whom Granted. | On what Terms Granted. | Present Incumbent's Name. | On what Terms acquired by him. | Estimated Sum, in Dollars, expended on the Lot. | General Remarks. |
|---|---|---|---|---|---|---|---|
| | | | | | | $. | |
| 68 | Mr. Johnston - | - - Messrs. Gibb, Livingston & Co. | -- On condition of 1,000 dollars being expended on it within six months. | - - Messrs. Gibb, Livingston & Co. | - - - | - - | - - Remains unimproved. (*See* Report.) |
| 69 | Ditto - - | Captain Pybus - | - - - | Captain Pybus - | - - - | - - | - - Remains unimproved. (*See* Report.) |
| 70 | By his Excellency the Governor. | - - Lieut. Ouchterlony. | For a bazaar | - - Lieut. Ouchterlony. | - - - | 1,600 | A bazaar built. |
| 71 | Ditto - - | Ditto - - | ditto - | Government - | - - - | - - | - - Lieut. Ouchterlony having built a market, it has been purchased by Government; and is now Government Market, No. 2. |
| 72 } 73 } | Land Committee | - - Messrs. Jardine, Matheson & Co. | - - On condition of 1,000 dollars being expended on it within six months. | - - Messrs. Jardine, Matheson & Co. | - - - | - - | - - These lots were granted for what is now part of the commissariat, resumed by Government. They remain unimproved, no means of access being yet formed to them. (*See* Report.) |

(signed) *R. Burgass,*
*A. T. Gordon.*
*Chas. St. Geo. Cleverly,*
*Chas. E. Stewart,*

Land-Office, Victoria, Hong Kong,
13 January 1844.

(True copy.)
(signed) *Richard Woosnam.*

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**Report on Tenure of Land.**

(No. 30.)—Colonial Department.

Government House, Victoria, Hong Kong,
18 January 1844.

Gentlemen,

I AM directed by his Excellency the Governor in Council to acknowledge the receipt of your letter, No. 12, of the 13th instant, with its various accompaniments, and am to acquaint you that everything you have proposed and recommended is approved and sanctioned, with the exception of your proposal respecting suburban lots, which are to lie over for further inquiry and consideration.

His Excellency in Council further directs me to assure you, that the clear and impartial manner in which you have investigated and submitted your sentiments on the variety of private and public claims that have come before your Committee, is considered to entitle you to high approbation and thanks, and will specially be brought to the notice of Her Majesty's Government.

I have, &c.

(signed) *Richard Woosnam.*

Richard Burgass,
A. T. Gordon,
Chas. St. George Cleverly,
Chas. E. Stewart,
} Esquires, &c. &c. &c.

(True copy.)

*Richard Woosnam.*

(No. 21.)—Colonial Department.

Government House, Victoria, Hong Kong,
Sir, 10 January 1844.

I AM directed to acknowledge the receipt of your letter, No. 49, of the 19th ultimo, accompanied by a plan of a part of the city of Victoria, and am to acquaint you that his Excellency the Governor approves of that plan, and authorizes you to take immediate steps for carrying it into effect.

You are requested to report specially on the circumstances under which Mr. Burd gained possession, and built on, the site where his house and godown now stand, as Government has reason to believe that that location was originally reserved.

Mr. Burd, and the present occupants of the "Upper Bazar," will be allowed six months, from the 15th of this month, to remove their houses; and should it appear, on further inquiry, that Mr. Burd or any of them are entitled to remuneration (which must depend solely on the terms by which they are in possession), a committee will be appointed to decide what that remuneration shall be.

His Excellency the Governor will offer no objection to the proposal you make with regard to the valuable ground unauthorizedly given by Captain Elliot to Major Caine, and now in possession of Messrs. Dent & Co., but you are to see that it is carefully measured into town lots, and classified in conformity with the instructions which have already been issued.

The lots on Magistracy Hill need not be put up at the approaching sale, as it is probable (or at least possible) they will hereafter be required for public purposes, for the erection of a house of correction, debtors' jail, &c. &c.

The first great object to be attended to, after laying out the streets, is a plan for effectually draining them, which, from their elevation above the harbour, will be easily effected; and you are to turn your attention to this important point as soon as possible, and to submit a rough estimate, which will be sanctioned, in order that the work may commence without delay.

Government will be glad to receive your opinion as to the best material for forming the streets, as experience has shown that the soil alone of this island, though it makes excellent roads for dry weather, is not adapted to resisting the heavy rains. This evil will, however, be very much remedied by the drains in the centre of the streets, which his Excellency the Governor thinks should be formed of the most lasting materials, and covered with large flags, with strong iron gratings, at short intervals, to allow the water to escape.

All householders will be required to form a drain of similar durable materials, but of course of smaller dimensions, from their premises into the main drains, and no open sewers or drains will be admitted on any plea or pretence.

You are requested to lay this letter before your colleagues in the Land Committee.

As the plan you sent with your letter has been forwarded to England, you will be so good as to furnish another copy for the use of government.

I have, &c.

Alexander T. Gordon, Esq., Land Officer, &c. &c. &c.

(signed) *Richard Woosnam.*

(True copy.)

(signed) *Richard Woosnam.*

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(No. 6.)

Sir, Land Office, Victoria, Hong Kong, 13 January 1844.

I HAVE the honour to acknowledge the receipt of your letter, No. 21, of this date, conveying to me the sanction of His Excellency the Governor for carrying out the plan of the town forwarded with my letter, No. 49, of the 19th ult., and I beg to inform you, for the information of his Excellency, that all the lots and streets are now accurately marked out on the ground by stakes, and measured.

I have, &c.

(signed) *A. T. Gordon,* Land Officer.

Richard Woosnam, Esq.,
Officiating Deputy Colonial Secretary.

(True copy.)

(signed) *Richard Woosnam.*

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Appendix, No. 1.

Report on Tenure of Land.

COPY of the LEASE to be granted to the Holders of Land in *Hong Kong*.

Enclosure, No. 11, in Despatch No. 3, of 1844.

THIS INDENTURE, of two parts, made the day of 184 , between Our Sovereign Lady Victoria, by the Grace of God, of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith, of the one part, and of the other part.

WHEREAS, by Letters Patent, under the Great Seal of the United Kingdom of Great Britain and Ireland, made and dated at Westminster, the 5th day of April, in the sixth year of the reign of Her said Majesty, the island of Hong Kong, and its dependencies, were erected into a colony, and full power and authority to the governor of the said colony of Hong Kong for the time being were given and granted in the name of Her said Majesty, and on Her behalf, (but subject nevertheless to such provisions as might be in that respect contained in any instructions which might from time to time be addressed to him, by Her said Majesty,) to make and execute, in the name and on the behalf of Her said Majesty, under the Public Seal of the said colony, grants of land to Her said Majesty belonging, within the said colony, to private persons for their own use and benefit, or to any persons, bodies politic or corporate, in trust for the public uses of Her said Majesty's subjects there resident, or any of them; and whereas, by certain other Letters Patent, under the Great Seal as aforesaid, bearing even date with the said last recited Letters Patent, Sir Henry Pottinger, Baronet, Knight Grand Cross of the Most Honourable Order of the Bath, Major-General in the Service of the East India Company, and Chief Superintendent of the Trade of British subjects trading to and from the dominions of the Emperor of China, was constituted and appointed Governor and Commander-in-Chief of the said colony of Hong Kong, and its dependencies; and whereas, by certain instructions of Her said Majesty, addressed to the said Sir Henry Pottinger, under Her said Majesty's Signet and Sign Manual, and dated the 6th day of April 1843, the said Sir Henry Pottinger was, amongst other things, instructed to grant leases of the land in the said colony, belonging to Her said Majesty; Now this Indenture witnesseth, that in consideration of the yearly rents, conditions, and agreements, hereinafter reserved and contained, by and on the part and behalf of the said his executors, administrators, and assigns, to be paid, done, and performed, and also of the sum of five current dollars, which are at this time a legal tender in the said colony of Hong Kong, in hand paid to the said Sir Henry Pottinger, as Governor of the said colony, for the use of Her said Majesty, by the said , at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged; Her said Majesty, Queen Victoria, hath demised, leased, and to farm let, and by these presents doth demise, lease, and to farm let, unto the said his executors, administrators, and assigns, all that piece or parcel of ground, situate, lying, and being at Victoria, in the said island of Hong Kong,

together with all easements, profits, commodities, and appurtenances whatsoever, to the said demised premises belonging, or in any wise appertaining, except and always reserved unto Her said Majesty, Her heirs, successors and assigns, full power to resume and take possession of all or any part of the said piece or parcel of ground hereby demised, if required for the improvement of the said colony of Hong Kong, or for any other public purpose whatsoever, three calendar months' notice being given to the occupant thereof of its being so required, and a full and fair compensation for the said land and the buildings thereon being paid to the said , his heirs, executors, administrators or assigns, at a valuation to be fairly and impartially made by the surveyor of Her said Majesty, Her heirs, successors or assigns, and in which said valuation the benefit to accrue to the said his heirs, executors, administrators or assigns, from any such improvement, or public purpose, shall be allowed by way of set off against any damage he or they may suffer from such resumption as aforesaid; except and reserved also all mines, minerals and quarries of stone in, under, and upon the said premises, and all such marl, clay, chalk, brick earth, gravel, sand, stone and stones, and other earths or materials, which now are or hereafter during the continuance of this demise shall be under, or upon the said premises, or any part or parts thereof, as Her said Majesty, Her heirs, successors and assigns, may require for the roads, public buildings, or other public purposes of the said colony of Hong Kong, with full liberty of ingress, egress, and regress, to and for Her said Majesty, Her heirs, successors and assigns, and Her and their agents, servants, and workmen, at reasonable times in the year, during the continuance of this demise, with or without horses, carts, carriages, and all other necessary things, into, upon, from, and out of all or any part or parts of the premises hereinbefore demised, to view, quarry, dig for, convert, and carry away, the said excepted minerals, stone, earths, and other things respectively, or any part or parts thereof respectively, thereby doing as little damage as possible to the said his executors, administrators, or assigns; and save and except also full power to make and conduct in, through, and under the said hereby demised premises, all and any public or common sewers, drains, or watercourses:

To have and to hold the said piece or parcel of ground and premises, hereby demised, or intended so to be, with their and every of their appurtenances, unto the said his executors, administrators and assigns, from the 26th day of June now last passed, for and during and unto the full end and term of 75 years, from thence next ensuing, and fully to be complete, and ended: yielding and paying, therefore, yearly, and every year, the sum of sterling, in current dollars of the said colony of Hong Kong (at such rate of exchange as is now, or may hereafter, from time to time, be fixed as the rate of exchange, for the payment of the salaries of the public servants of the said colony), by half-yearly payments, on the 24th day of June and the 25th day of December, in every year, free and clear of and from all taxes, rates, charges, impositions and assessments whatsoever, imposed or to be imposed upon or in respect of the said hereby demised premises, or any part thereof, during the term hereby granted; the first half-yearly payment of the said yearly rent or sum of sterling to be made on the day of 184 .

And the said for himself, his heirs, executors, administrators and assigns, doth hereby covenant, promise, and agree, to and with Her said Majesty, Her heirs, successors and assigns, by these presents, in manner following, that is to say, that he the said his heirs, executors, administrators or assigns, shall and will yearly, and every year, during the said term of 75 years hereby granted, well and truly pay, or cause to be paid, to Her said Majesty, Her heirs, successors, and assigns, the said yearly sum of sterling, payable in dollars, at the rate of exchange aforesaid, clear of all taxes and deductions as aforesaid, in the several days and times, and in the manner hereinbefore reserved and made payable; and also that he the said his executors, administrators and assigns, shall and will, during all the said term hereby granted, bear, pay and discharge all taxes, charges and impositions whatsoever, as are or shall be hereafter assessed or charged on, or in anywise imposed upon or in respect of the said premises hereby demised, or intended so to be, or any part thereof. And that he the said his executors, administrators or assigns, shall and will, before the expiration of the year of the term hereby granted, at his and their own proper costs and charges, in a good, substantial and workmanlike manner, erect, build, and completely finish, fit for use, one or more good substantial, and safe brick or stone messuage or tenement, messuages or tenements, upon some part of the ground hereby demised, with proper fences, walls, sewers, drains, and all other usual or necessary appurtenances, and shall and will lay out, and expend thereon, the sum of and upwards, and the whole to be done to the satisfaction of the surveyor of Her said Majesty, Her heirs, successors or assigns: And also that the said his executors, administrators and assigns, shall and will, from time to time, and at all times, from and after the said messuage or tenement, erections and buildings on the said piece of ground hereby demised, shall be respectively completed and finished, during the remainder of the said term hereby granted, when, where and as often as need or occasion shall be and require, at his and their own proper costs and charges, well and sufficiently repair, uphold, support, maintain, pave, purge, scour, cleanse, empty, amend, and keep the said messuage or tenement, messuages or tenements, erections and buildings, and all the walls, rails, lights, pavements, privies, sinks, drains and watercourses thereunto belonging, and which shall in anywise belong or appertain unto the same, in, by, and with all and all manner of needful and necessary reparations, cleansings, and amendments whatsoever, the whole to be done to the satisfaction of the surveyor of Her said Majesty, Her heirs, successors or assigns; And the said messuage or tenement, messuages or tenements, erections, buildings and premises, so being well and sufficiently repaired, sustained and amended, at the end, or sooner determination of the said term, shall and will peaceably and quietly deliver up to Her said Majesty, Her heirs, successors or assigns; And also that it shall be lawful for Her said Majesty, Her heirs, successors or assigns, or Her and their agent, or any person or persons deputed by him or them, to enter into and upon the premises hereby demised, at any reasonable hours in the day time, within the last seven years of the aforesaid term of 75 years, to take a schedule or inventory of all and every the fixtures and things to be yielded up at the expiration thereof as aforesaid; And also that the said his executors, administrators and assigns, shall and will during the term hereby granted, as often as need shall require, bear, pay, and allow a reasonable share and proportion for and towards the costs and charges of making, building, supporting, repairing, and amending all or any roads, pavements, channels, fences and party walls, draughts, private or public sewers and drains requisite for, or in, or belonging to the said demised premises or any part thereof, in common with other premises near or adjoining thereto, and that such proportion shall be fixed and ascertained by the surveyor of Her said Majesty, Her heirs, successors or assigns, and shall be recoverable in the nature of rent in arrear; And further, that it shall and may be lawful to and for Her said Majesty, Her heirs, successors or assigns, by Her or their surveyors or other persons deputed to act for Her or them, twice or oftener in every year during the said term, at all reasonable times in the day, to enter and come into and upon the said parcel of ground hereby demised, and into any messuages or tenements which may at any time be built thereon, to view, search, and see the condition of the same, and of all decays, defects, and wants of reparation and amendment, which upon every such view or views shall be found, to give or leave notice or warning in writing, at or upon the said demised premises, unto or for the said his executors, administrators or assigns, to repair and amend the same within three calendar months then next

Appendix, No. 1.

Report on Tenure of Land.

next following, within which said time or space of three calendar months after every such notice or warning shall be so given or left as aforesaid, he the said for himself, his executors, administrators and assigns, doth hereby covenant, promise and agree with Her said Majesty, Her heirs, successors and assigns, to repair and amend all such decays, defects, and wants of reparation and amendment accordingly; And further that the said his executors, administrators and assigns, or any other person or persons, shall not nor will during the continuance of this demise, use, exercise or follow, in or upon the said premises or any part thereof, the trade or business of a brazier, slaughterman, soap-maker, sugar-baker, fellmonger, melter of tallow, oilman, butcher, distiller, victualler or tavern-keeper, blacksmith, nightman, scavenger, or any or either of them, or any other noisy, noisome or offensive trade or business whatever, without the previous licence of Her said Majesty, Her heirs, successors or assigns, signified by the Governor of the said colony of Hong Kong, or other person duly authorized in that behalf; And also that he the said his executors, administrators or assigns, shall not, nor will let, underlet, mortgage or otherwise assign over, or otherwise part with, all or any part of the said hereby demised premises, for all or any part of the said term of 75 years, without at the same time registering such alienation in the Land-office or in such other office as may hereafter be instituted for the purposes of registration, in the said colony of Hong Kong, and paying all reasonable fees and other expenses thereon. Provided always, and these presents are upon this express condition, that if the said yearly rent of payable in current dollars as aforesaid, hereinbefore reserved, or any part thereof, shall be in arrear and unpaid by the space of 21 days next over or after any or either of the said days whereon the same ought to be paid as aforesaid (being lawfully demanded upon or at any time after the said 21 days, and not paid when demanded), or in case of breach or non-performance of any or either of the other covenants, clauses, conditions, agreements or provisions herein contained, and by and on the part and behalf of the said his executors, administrators and assigns, to be kept, done, and performed, then and in either of the said cases, from thenceforth, and at all times thereafter, it shall and may be lawful to and for Her said Majesty, Her heirs, successors, or assigns, by the Governor of Hong Kong, or other person duly authorized in that behalf, into and upon the said hereby demised premises, or any part thereof, in the name of the whole, to re-enter, and the same to have again, retain, repossess, and enjoy as in Her or their first or former estate, as if these presents had not been made; and the said his executors, administrators and assigns, and all other occupiers of the said premises, thereout and thence utterly to expel, put out, and amove, this indenture, or anything contained herein to the contrary notwithstanding.

In witness whereof the said hath hereunto set his hand and seal, the day and year first above written.

Signed, sealed, and delivered at Victoria, Hong Kong, in the presence of

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(No. 16.)—Colonial Department.

Government House, Victoria, Hong Kong,
7 March 1844.

My Lord,

Nos. 1 & 2. No. 3.

I HAVE the honour to forward copies of a letter dated the 4th instant, and its enclosure, from certain landholders in this colony to my address, and likewise a copy of the reply made to it yesterday.

The whole reasoning of the letter in question appears to me to be not only grounded in error, but the most important points alleged in it have been contradicted, or are absolutely at this moment in course of contradiction, by the acts of many of the firms and individuals who have themselves signed the letter.

There is not time to do so by this mail, but I shall send by another early opportunity to your Lordship an estimate, showing is round numbers what sums of money have been expended on building in this colony since the publication of the intention of Her Majesty's Government not to recognise grants or sales of land made previous to the exchange of the ratifications of the treaty, and what before such publication; also a statement showing the number of persons who strictly complied with the terms on which land was granted to them by Captain Elliot or Mr. Johnston.

The upset price of the Crown lands sold at the last sales was in round numbers 1,300 *l.* sterling annual rent, and they fetched by public outcry 2,000 *l.* sterling, which is of itself a convincing proof of the erroneous views of the matter taken in the letter which I now submit.

I must confess that that letter has surprised me, for although I am decidedly of opinion that the promise to which allusion is made in the last passage of the reply is politic and equitable, both as regards the Crown and the individuals; yet I do not hesitate to declare my conviction, both from my personal observation and from the inquiries I have anxiously instituted, that in no colony of the British Empire have persons who have taken lands and built upon them been so amply and quickly remunerated as they have been, and are likely to be, in Hong Kong.

I have, &c.
(signed) *Henry Pottinger.*

The Right Honourable Lord Stanley,
&c. &c. &c.

Sir, Hong Kong, 4 March 1844.

HAVING had an opportunity of perusing the form of the leases intended to be granted to the occupants of land at Hong Kong, we deem it our duty respectfully to represent to your Excellency our great surprise and disappointment at some of the stipulations therein contained.

The lands we hold consist partly of marine lots purchased at a public sale held under the sanction of Captain Elliot, and partly of suburban lots granted by Captain Elliot and A. R. Johnston, Esq., while acting Governors of Hong Kong. We were never given to understand these lands were only to be held under a lease of 75 years' duration, far less, that at the end of that period the buildings erected thereon were to become the property of Her Majesty without compensation of any kind; on the contrary, we understood that the tenure was to be perpetual, though the details were left open for after arrangement.

Indeed in a letter from Captain Elliot, Her Majesty's Plenipotentiary, under date Macao, 17th June 1841, the principle of granting leases on very moderate terms, either in fee simple, or at a low annual quit-rent, was distinctly promised. We beg leave to annex to this letter a copy of the document in question. At the time of sale it was stipulated on behalf of Government that we were to expend a certain sum in the way of buildings, &c. on the lands, in order to secure their possession to us, which we cheerfully assented to, never doubting that we should be dealt with by the Government on fair and equitable principles.

On the faith of this pledge by the representative of Government, and before the terms of the proposed leases became known to us, we had expended on sea walls, warehouses, and dwellings, very considerable sums, but had we been previously aware of the conditions now proposed, we certainly should not have expended one farthing on buildings at Hong Kong.

We would remind your Excellency that the current rate of interest of money in China is from 10 to 12 per cent. per annum, so that a building costing 75,000 dollars, will stand the owner in the annual interest of 7,500 dollars, in addition to the quit-rent payable for the ground; and by the proposed form of lease, to this would have to be added the annual depreciation of a property to be given up without compensation of any kind at the end of 75 years, forming altogether so heavy an annual burden, as to be without a parallel in any British or other colony.

We trust, therefore, that your Excellency will see the expediency of modifying the terms of the lease, so far as to make it perpetual, Government still retaining the power of increasing the ground rent at fixed periods, say of 75 years, according to what may then be the value of land in the colony. We have the fullest conviction that this would tend greatly to the prosperity of the settlement. Indeed, rather than expend money on building under the proposed tenure, most foreigners will prefer resorting to Macao, Canton, and the other Chinese ports, where buildings can be rented on far more moderate terms.

We may be allowed to point out to your Excellency that an adherence on the part of Government to the proposed terms of lease would thus eventually be placing those who first commenced improving their property at Hong Kong, and who, from the sums already expended, cannot withdraw from the occupation of their buildings without ruinous loss, on most unfavourable terms, compared with others who have the option of resorting to places where land can be bought or rented on much more moderate conditions; and we submit that it never can be the wish or intention of Her Majesty's Government to place the early occupants of land in the new settlement in such a position.

Should your Excellency consider it within your power to accede to our request as to a revision of the leases, we would at a future period, venture to suggest alterations on some of the minor points, which we have not deemed it expedient to notice in our present communication.

We have the fullest confidence in your Excellency's sense of justice, and in the assurance that our claims to a more equitable tenure will meet with due consideration.

We have, &c.

(signed)

*Jardine, Matheson & Co.*
*Dent & Co.*
*Turner & Co.*
Per pro *W. & T. Gemmell & Co.*
*Robert Strachan.*
*Fox, Rawson & Co.*
*Fletcher, Larkins & Co.*
Per pro *Macvicar & Co.*
*Thos. D. Neave.*
*C. Fearon.*
*T. Larkins.*
*Lindsay & Co.*
Per pro *D. & M. Rustomjee & Co.*
*D. Byramjee.*
*Gibb, Livingston & Co.*
*Jamieson, How & Co.*
*Richard Oswald.*
*Holliday, Wise & Co.*
*W. Scott.*

To his Excellency Sir Henry Pottinger, Bart., G.C.B.,
Victoria, Hong Kong.

(A true copy.)

(signed) *Richard Woosnam.*

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(No. 92.)—Colonial Department.

Government House, Victoria, Hong Kong,
Gentlemen, 6 March 1844.

I AM directed by his Excellency the Governor in Council to acknowledge the receipt of your letter dated the 4th instant, to the address of Sir Henry Pottinger, with one enclosure, and am to acquaint you, that copies of those documents will be transmitted by an early opportunity for the consideration and commands of Her Majesty's Government.

I am at the same time directed to say, that his Excellency in Council is by no means prepared to admit the validity of the general reasoning made use of in your letter, or to recommend to Her Majesty's Government an acquiescence in the sweeping terms of your application.

You must be already perfectly aware, from the various notifications which have been published regarding Crown lands in this colony, of three points; 1st, That the Governor in Council has been positively prohibited by instructions from England from alienating land in this colony, either in perpetuity, or for any period beyond that which might be sufficient to induce persons to erect substantial buildings, &c.; 2dly, That Her Majesty's Government did not see fit to recognise grants or sales of land that had been made by or under any authority whatsoever up to the period of the exchange of the ratification of the Treaty of Nankin; and 3dly, That a committee was ordered to be appointed to inquire into the equitable claims of all holders of land to define the classes to which particular lots should henceforward belong, as well as their future annual rent, and to arrange for the disposal of further lots by public auction, &c.

That committee, on being appointed, proceeded to fulfil the important and invidious trust reposed in it with the most anxious and painstaking impartiality, and not only did the local government see reason to consider its valuations, arrangements, and recommendations liberal and just, and as such to sanction and confirm them; but it may be observed, that this opinion was, very shortly after, absolutely demonstrated and confirmed by the public voice, as evinced in the fact, that at the recent sale of Crown lands every single lot fetched above the upset price, which upset price was the rent of corresponding lots averaged and fixed by the committee.

I am also desired to remind you, that not one individual in twenty of the purchasers of land at the sales or grants, authorized by Captain Elliot or Mr. Johnston, fulfilled the prescribed terms of those sales or grants; that it thence followed, that the greater number of those sales and grants might have been declared to be null and void, and the land again put up to public competition when its value had been greatly enhanced, as shown by the late sales by auction; that that enhancement is proved, as well by the result of those sales as by the undeniable and notorious circumstance, that perhaps more than three-fourths of the money laid out in this colony has been expended since the publication of the notifications already quoted in this letter, or in other words, since the island became a *bonâ fide* possession of the British Crown; but the local government willingly availed themselves of the discretion left to them (under the peremptory restrictions as to alienations) to disturb as little as was consistent with the general interests of society, and the well-being of the colony, the acts of former authorities.

At the same time his Excellency the Governor in Council distinctly and unhesitatingly declares, that whatever may be the decision Her Majesty's Government may be pleased to come to on your appeal, he should esteem any arrangement grounded, however remotely, on the principle alluded to in Captain Elliot's letter to your address of the 17th of June 1841, of which you have thought it worth while to submit a copy, to be utterly inapplicable to the present state and future prospects of this colony, and obviously and wholly unjust towards the rights of the Crown.

Having thus explained to you the sentiments of the Governor in Council, I am desired to add, that, looking to the instructions from England, although it has not been considered that a positive stipulation on the subject could be introduced into the leases, yet Her Majesty's Government will be moved to place on record that it shall be understood, that at the expiration of the present leases the offers of the occupants of the different premises shall have a preference over all others (*cæteris paribus*), and that they shall be allowed to renew their leases on favourable terms, for such further period as may be then deemed just and expedient.

I have, &c.
(signed) *Richard Woosnam.*

Messrs. Jardine, Matheson & Co.
Messrs. Dent & Co.
Messrs. Turner & Co.

(A true copy.)
(signed) *Richard Woosnam.*

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(No. 22.)—Colonial Department.

Government House, Victoria, Hong Kong,
27 March 1844.

My Lord,

Referring to my despatch, No. 16, of the 7th instant. on the subject of Crown lands in this colony, I have the honour to forward to your Lordship a copy of a letter from the land officer, containing, as far as can be obtained, the information I expressed my intention of early submitting; likewise a copy of a rejoinder, which has been addressed to Government by certain landowners, in answer to the letter which formed Enclosure No. 3, of the above despatch.

No. 1.
No. 2.

The most important part of that rejoinder is the opinion expressed by the individuals who have signed it, that the late sale by public auction will prove to have been of a "fictitious and delusive character." In that opinion I have as yet seen no cause for concurring, and, at all events, it remains to be seen whether it is correct or not. I am not aware of any other test that could have been possibly applied to the value of land in this colony, and Her Majesty's Government will have seen, from Enclosure No. 3, of my despatch, No. 3, of the 22d of January last, that the proprietors of all lots of ground which had been sold

or granted by Captain Elliot or Mr. Johnston, were offered the option of holding them in future at the average rate of sale by public auction of similarly situated lots, but that not one person availed himself of this proposal.

I am very sorry to be obliged to trouble Her Majesty's Government with these references, but I have no alternative. I have had a most difficult and invidious duty to perform, and I may conscientiously declare, that I have striven to fulfil it with rigid impartiality towards the public and private interests committed to my charge.

Long before I came to China, Captain Elliot had not only sold lands under the most formal proclamations, but had officially announced to the purchasers of them his intention to move Her Majesty's Government to confirm those lands on a tenure which, with every deference to that gentleman, appears to me to be wholly unprecedented and untenable.

When I arrived at this island in August 1841, I was here but for one day, and during that short period was literally overwhelmed and oppressed by the variety of affairs that demanded instant attention. Even under those circumstances, I looked into what had been done, and expressly prohibited any further sales or grants, allowing all that Captain Elliot has effected to stand as it was, pending the pleasure of Her Majesty's Government.

Under an avowed misconception of my orders, I had hardly left the island when Mr. Johnston framed rules for fresh grants, and proceeded to act on them, of which fact I only became cognizant months after. The instant I was so, I pointed out to that gentleman the mistake into which he had fallen; but the evil was done, and I had no instructions to guide me until the receipt of Lord Aberdeen's Despatch, No. 4, of the 4th of January 1843, written by his Lordship after it was known in England that this island had been ceded to Her Majesty.

I have thought it due to myself to offer to your Lordship the above brief explanation of the position in which I find myself; and when I add to it, that I have been quoted and held up, not only as the immediate cause of all the private dissatisfaction which (apparently) prevails, but as the originator, or at least the confirmer and approver of all the public mistakes and oversights (even to the non-erection of barracks, hospitals, dockyards, naval depôts, &c.) that have been committed, I trust Her Majesty's Government will forgive me for reminding them, that I have stood alone, and have been called on either to totally neglect what I believe to be the interests of this colony, or to act upon my own humble and unassisted judgment.

I have, &c.

The Right Hon. Lord Stanley,
&c. &c. &c.

(signed) *Henry Pottinger.*

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(No. 30.)

Land Office, Victoria, Hong Kong,
26 March 1844.

Sir,

I HAVE the honour to acknowledge the receipt of your letter, No. 106, of 16th instant, enclosing a copy of the reply which had been addressed to those landholders who had made application to Government for a modification of their leases, and also directing me to submit to Government an estimate, in round numbers, of the sums expended on building in this colony since the publication of the intention of Her Majesty's Government not to recognise grants or sales made previous to the exchange of the ratification of the treaty, and a statement of the number of persons who bought lands from Captain Elliot or Mr. Johnston, and how many of those persons strictly fulfilled the conditions laid down.

The total amount expended on buildings in this colony up to the present time is, in round numbers (exclusive of that laid out by the Chinese) seven hundred thousand dollars ($ 700,000). The notification announcing the intention of Her Majesty's Government not to recognise any grants or sales made previous to the exchange of the ratification of the treaty was published on the 24th August last, and since that period no new buildings have been commenced, but all which were then in progress were continued without being affected by it. Since the notification under date 10th April 1843, and published on the 14th of the same month, calling upon all holders of land to send in proofs of their claims to it, and announcing (what had before been repeatedly declared) that the terms and tenure were to depend solely on the commands of Her Majesty's Government, and that those terms and tenure could not be made known until the information called for by that notification was furnished, I estimate that two hundred and fifty thousand dollars ($ 250,000) have been expended, and that about three hundred and fifty thousand dollars ($ 350,000) or one-half of the whole sum laid out on buildings on the island, have been expended since the 1st January 1843, prior to which date it had been intimated that the terms and tenure were to depend solely on the pleasure of Her Majesty's Government.

Captain Elliot and Mr. Johnston disposed of 160 lots of different classes; of these, nine were voluntarily abandoned by the purchasers, 10 have been resumed by Government, and 34 lots have been permitted to be retained by the present incumbents, although the conditions of sale had not been strictly complied with.

The first sale of land in this colony took place on the 14th June 1841, and it was a condition that an outlay of one thousand dollars ($ 1,000) should be incurred within six months of the day of sale. I have no means of ascertaining how many persons failed in fulfilling this condition, for although the prescribed outlay had been made when the Land Depart-

Appendix, No. 1.

Report on Tenure of Land.

ment was placed under my charge on the 1st January 1843, it may not have been (and probably was not) incurred in all instances, within the six months, and the same remark applies to many of the earlier grants made by Mr. Johnston.

I have, &c.

Richard Woosnam, Esq.
Officiating Deputy Colonial Secretary.

(signed) *A. T. Gordon,* Land Officer.

(True copy.)
(signed) *Richard Woosnam.*

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Sir, Victoria, Hong Kong, 25 March 1844.

We have the honour to acknowledge receipt of your letter of 6th instant, in reply to one we addressed to his Excellency Sir Henry Pottinger on the 4th instant, and we beg to be allowed to offer the following observations in reply:

You remark that we must have seen, from various notifications which have been published regarding Crown lands, that "Her Majesty's Government did not see fit to recognise grants or sales of land that had been made by or under any authority whatsoever up to the period of the exchange of the ratification of the Treaty of Nankin;" but it is proper to remark that in the Government notification of 21st August 1843, it is added, that "an inquiry should be instituted into the equitable claims of all holders of land to a confirmation, either permanent or temporary, of their titles, so far as they could be confirmed consistently with a just regard to the interests of society at large."

The sales of land under the authority of Captain Elliot, Her Majesty's then Plenipotentiary in China, were first held on 14th June 1841; and in the interval between that date and 20th June 1843, the date of the exchange of the ratification of the treaty of Nankin, many of us had invested considerable sums in buildings, on the faith that the acts of all Her Majesty's authorities in China would be fully confirmed. In this conviction we have been borne out by the decision of Her Majesty's Government above quoted, in which the principle of a complete confirmation is recognised, with merely the qualification that it is to be granted with a just regard to the interests of society at large.

As the local government has in all cases resumed the land and altered boundaries wherever the general interests of society required such interference, we submit that the existing holders of land, for which leases are now in course of preparation, are possessed of property, of which it is admitted they are proprietors, without any injury to the interests of society or the just rights of the Crown; and we beg respectfully to observe, that we cannot but consider that the spirit of the instructions from Her Majesty's Government above alluded to, would appear to sanction our expectation that our property should be held on the terms and conditions which we were first led to expect would be imposed; we mean either on the principle named by Captain Elliot, or at any rate on as favourable terms and conditions as those to which landholders in other British colonies are subject.

With reference to your remark, that "perhaps more than three-fourths of the money laid out in this colony has been expended since the publication of the notifications already quoted, or in other words, since the island became a *bonâ fide* possession of the British Crown," we beg leave to observe, that we cannot subscribe to the correctness of this statement. The notification named was published on 26th June 1843, but on 10th April 1843 a Government notification was published in which there was the following clause: "The land officer has been authorized and instructed to prevent the commencement of any further buildings or clearing away of locations until final arrangements can be made;" and this restriction has never been removed until the sale of land on 22d January 1844.

We submit, therefore, that on inquiry it will appear, although many buildings previously commenced may have been finished in the interval, that no private buildings have been undertaken during the period in which you seem to suppose nearly all the money has been expended, and that in point of fact nearly the whole of the expenditure, or at least such outlay as rendered the remainder unavoidable, has been made long antecedent to the holders of land being led to anticipate that any onerous conditions would be imposed upon them.

It remains for us to observe on your remark, that "the valuation and arrangements of the committee prior to the recent sales of land were absolutely demonstrated and confirmed to have been liberal and just, by the fact that at that sale every lot fetched above the upset price." With reference to this strong and important declaration, we feel it incumbent on us to assure his Excellency, in the most unreserved manner, of our firm conviction that results will prove such sale to have been in a great measure of a fictitious and delusive character, and that probably not one out of five of the purchases made at that sale will ever be carried into *bonâ fide* effect. The lots sold on the 22d January were to the number of 116, of which some were composed of portions of land formerly granted by Captain Elliot, but resumed by the existing government, and which the parties who considered themselves the proprietors were compelled to purchase, even at an exorbitant price, or abandon ground on which, on the faith of what was previously deemed a valid title, they had expended considerable sums. Of the whole 116 lots, only three have as yet any buildings commenced

menced on them; and we beg leave to subjoin a memorandum showing the nature of such buildings.

We have not the most remote intention of imputing to the committee any but the most fair and impartial feeling; and had the proceedings and buildings in the colony commenced with the ratification of the treaty of Nankin, we should not have had a word to say on the subject. But we cannot too strongly urge upon the Government at home, through his Excellency the Governor, our claim, as holders of land under grants and sales which we believed to be valid, and on the faith of which we have expended so large an amount of time and money, to as moderate conditions and tenure of property as obtain in other British colonies, a principle which, under the circumstances, we feel the greatest confidence will be conceded.

We have, &c.

(signed) *Jardine, Matheson & Co.*
*Dent & Co.*
Per pro *W. & T. Gemmell & Co.*, *Robert Strachan.*
*Fletcher, Larkins & Co.*
*Holliday, Wise & Co.*
*Gibb, Livingston & Co.*
*Jamieson, How & Co.*
*Lindsay & Co.*, per *M. W. P.*
*Wm. Scott*, per *J. B.*

Richard Woosnam, Esq.
&c. &c. &c.

(True copy.)
(signed) *Richard Woosnam.*

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BUILDINGS in the course of Erection at *Hong Kong*, on Leases sold 22d January.

| LOTS. | PURCHASER. | £. s. d. | DESCRIPTION OF BUILDINGS. |
|---|---|---|---|
| 11 | Rev. W. Legge - - - | 26 15 - | - Out offices for the Malacca College. |
| 34 | W. Scott - - - - | 10 10 - | - - A bungalow, to cost about 2,000 dollars. |
| 116 | R. Strachan - - - - | 21 - - | - - A cottage, 54 by 34, to cost 1,000 dollars. |

(True copy.)
(signed) *Richard Woosnam.*

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(No. 37.)

Government House, Victoria, Hong Kong,
4 May 1844.

My Lord,

IN continuation of my despatches, Nos. 16 and 22, of the 7th and 27th of March last, I have the honour to forward to your Lordship a copy of a further letter from certain landholders in this colony, and also one of the reply I have directed to be made to it under this date. No. 1. No. 2.

Had the applicants stated their object in this concise form in the first instance, it would have saved much correspondence and trouble.

The matter has now resolved itself into the simple question as to the interpretation to be put on your Lordship's instructions, that "I was not to alienate land in perpetuity, or for any longer period than should enable tenants to erect substantial buildings."

Your Lordship will have seen from the copy of the lease, which forms Enclosure No. 11 to my Despatch, No. 3, of the 22d of January last, that it has been provided for in that document that the buildings shall all become the property of the Crown at the expiration of the 75 years for which the leases are to run; and I am told that this is usually the case in leases of the sort. But there can be no doubt that the strict enforcement of that clause will operate towards deterring people from expending so much money, as they otherwise would do, in improvements, by building quays, wharfs, docks, &c.: and when I look to the high rates of rent at which the land of itself has hitherto let in this island, I cannot doubt but a favourable consideration of the prayer contained in the present application would have the most beneficial effect on the future prosperity of the colony. I should therefore be glad, did it accord with the views of Her Majesty's Government, to see that clause of the lease so modified as to ensure the owners of the different locations the certainty of retaining possession, subject to such augmented rates of ground rent as the probable increased value of land will then justly authorize.

Appendix, No. 1.

Report on Tenure of Land.

By offering this recommendation, I do not by any means mean to retract my opinion, that many of the purchasers of land are being, and will be, amply and speedily repaid for the outlay they may incur; but the extent of that outlay will certainly be influenced by the decision which Her Majesty's Government may be pleased to come to on this reference.

I hope your Lordship will approve of the alteration I have suggested, in the manner of valuing any land that it may be found necessary to resume. It is improbable (as far as can be foreseen) that that clause will be called into operation, but I now see strong objections to such an invidious power being vested in any servant of the Crown, especially in so small a colony as this must always be.

I have, &c.
(signed) *Henry Pottinger.*

The Right Hon. Lord Stanley,
&c. &c. &c.

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Sir, Victoria, 9 April 1844.

As circumstances may lead Her Majesty's Government to suppose that the original landowners in this colony are urging unreasonable claims, we deem it advisable to state, as briefly as possible, that the present form of lease would be considered by us satisfactory, provided a clause was introduced, securing to us our buildings in perpetuity, but stipulating that at the expiration of every successive period of 75 years, the ground rents should be altered in accordance with what might then be the current value of land in the colony, the same to be ascertained in such manner as Her Majesty's Government may determine.

We have, &c.

(signed) *Jardine, Matheson & Co.*
*Holliday, Wise & Co.*
*Jamieson, How & Co.*
Per pro *W. & T. Gemmell & Co.*,
*Robert Strachan.*
*Turner & Co.*
*Framjee Jamsetjee.*
Per pro. *Macvicar & Co.*,
*Thomas D. Neave.*
*Fletcher, Larkins & Co.*

Richard Woosnam, Esq.
Secretary to Government, &c. Victoria.

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(No. 187.)—Colonial Department.

Government House, Victoria, Hong Kong,
Gentlemen, 4 May 1844.

YOUR letter, dated the 9th of last month, only reached me three days ago, and was duly laid before his Excellency the Governor in Council.

In answer to it, I am directed to inform you, that his Excellency cannot take on himself to give you any assurance beyond that which is stated in the concluding passage of my letter to your address of the 6th of March last (No. 92); but, adverting to the peculiar circumstances under which some of you commenced building in this colony, I am to add, that a copy of your letter now under reply will be forwarded to Her Majesty's Government by the first opportunity, accompanied by a recommendation that the clause you point out may be favourably considered, and that a final decision with respect to its adoption, in a perfect, or modified form, may be announced as soon as possible.

I am further directed to take this occasion to acquaint you, that recent circumstances have drawn the attention of his Excellency the Governor to that clause in the leases which reserves to Her Majesty the power of resuming lands that may be required for public purposes at a valuation, to be formed by Her Majesty's surveyor for the time being, and that his Excellency sees special reason to consider that that task should not be imposed on any single individual. His Excellency therefore intends to suggest as a modification of that clause, that lands to be so resumed shall be appraised by an approved jury of not less than 12 persons, on oath.

This modification, should it be sanctioned by Her Majesty's Government, on whose pleasure it must be understood to solely depend, will remove from Her Majesty's surveyor a most invidious duty, will naturally tend to increase the confidence of all holders of land in the colony, and will not, in his Excellency's opinion, compromise in any degree the rights of the public.

I have, &c.
(signed) *Richard Woosnam.*

Messrs. Jardine, Matheson & Co.,
Holliday, Wise & Co., Jamieson, How & Co.,
Gemmell & Co., Turner & Co.,
Framjee Jamsetjee, Macvicar & Co., and
Fletcher, Larkins & Co.

(No. 57.)

Sir, Downing-street, 19 November 1844.

I HAVE had under my consideration Sir Henry Pottinger's despatches of the dates and numbers mentioned in the margin, on the subject of the tenure and sale of land in Hong Kong.

No. 3, 22 Jan.
No. 16, 7 March.
No. 22, 27 March.
No. 37, 4 May.

In my despatch of the 3d January last, No. 25, I entered into an examination of the information which at that time I had received on this subject. The conclusion to which I came was that the marine lots which had been disposed of by Captain Elliot and Mr. Johnston should be confirmed for 75 years, at the rates of annual payment originally fixed on them, but that the town and suburban lots demanded further inquiry on the spot, and must be dealt with accordingly by the local government. By Sir H. Pottinger's despatch of the 9th January, it appears that the necessity for further inquiry had been foreseen by him, and that before the receipt of my despatch he had appointed a Board of Officers to investigate the subject, to whom he issued instructions which appear to have been just and proper. This Board came to the conclusion,

1st. That the marine lots already granted should be confirmed at their original prices, for periods of 75 years (thus anticipating my decision on the same subject.)

2d. That the town and suburban lots already granted should be rated afresh, and should be divided for this purpose into different classes.

3d. That all future lots should be put up to auction, and that the biddings of purchasers should be for the annual rent instead of for a fixed rent, with a premium to be settled by competition. To these views Sir H. Pottinger acceded, merely adding that should any individual deem his lot over-valued by the Board of Officers, he should be at liberty to hold it at the average rate at which similarly situated lots might sell at the approaching public sale.

This sale took place not long afterwards. The minimum price affixed to the lots was the same as that placed on similar lots previously granted, and the result was that while the upset price of the lands amounted to 1,300*l.*, they were sold by auction for 2,000*l.*, a sufficient evidence that the former valuations had been moderate.

The decisions on these points adopted by Sir Henry Pottinger appear to me, on the whole, to have been quite proper, and I have accordingly to express my approval of them. I have no doubt that Sir H. Pottinger judged rightly in agreeing with the Board of Officers, that it was better to make the annual rent itself the subject of competition, instead of fixing the rent, and having a separate bonus; and I only notice the point specially because Sir H. Pottinger expresses some anxiety to know that his view of it meets with my approval. It also appears to me that the Board of Officers, whose labours Sir H. Pottinger promised to bring to the notice of Government, discharged their duties in a clear and satisfactory manner.

Adverting now to the discussion which has taken place in regard to the period for which the lands have been assigned upon lease, instead of being granted in perpetuity, I must observe that the subject does not admit of any claim of right. Neither Captain Elliot nor Mr. Johnston were armed with any authority to dispose of the public lands, and it was expressly announced by the former officer, under whom the principal sales took place, that they must be subject to Her Majesty's pleasure; but it has of course been the wish of Her Majesty's Government to deal with the holders of these lands equitably; and the only question is, whether the leases that have been decided upon sufficiently effect this object; it is at least some presumption in their favour, that without concert, the same view should have been adopted at nearly the same moment by myself in this country and by a Board of Officers in Hong Kong; and Sir H. Pottinger has pointed out, in his answer to the gentlemen who wrote to him on the subject, that at the recent public sales higher rates had been voluntarily given than they were called upon to pay. They have answered, indeed, that the sales were of a fictitious and speculative character, and could afford no real test of value. Nevertheless, it would be difficult, as Sir Henry Pottinger has observed, to apply any better test of value than sale in a fair and open market.

Under these circumstances, after fully considering the matter as brought under my notice in these despatches, I continue to adhere to the decision expressed in my despatch of the 3d January last, that the leases of town and suburban lots for building purposes should not exceed 75 years, subject of course to the discretion of the Government to grant renewals from time to time. The reports which I have recently received from you sufficiently show that the terms fixed for the disposal of land in Hong Kong have been no discouragement to building speculations, nor to the purchase of land at high rents.

Having thus decided on the more important and general question raised by these despatches, it is necessary that I should advert to a minor point, brought under my consideration by Sir H. Pottinger's despatch, No. 3, of 22d January last. In that despatch is enclosed a schedule of fees to be taken in the Land-office which had been approved by the council and himself. To the last three items in this schedule I do not object; but the three first charges appear to me excessive; they are as follows; viz.:—

Preparing any lease or grant, 10 per cent. on the amount of annual rental.

Affixing public seal thereto, 5 per cent. ditto.

Registering any assignment, mortgage, or other alienation, 5 per cent. ditto.

In the first place, the principle of an *ad valorem* fee, where the amount of trouble must be the same in every case, appears to me erroneous, and calculated unnecessarily to impose

a disadvantage on large purchasers; and in the next place, the rate of these fees, considering the amount of the rents which have been realized, seems to be excessive.

The rental disposed of is stated by Sir H. Pottinger at 15,000 *l.* per annum; and the two first of the above fees, constituting a charge of 15 per cent., it would follow, assuming Sir H. Pottinger's calculation to be correct, that the public must have been called upon to pay 2,250 *l.* to the Land-office for fees upon transactions not very numerous in themselves, and which so exactly resembled each other, as to entail no additional exertion or responsibility. I am of opinion that the principle of an *ad valorem* fee should be at once abandoned, and that the Attorney-general should be called upon to prepare a standing form to be in future used in such transactions; and that having received from Government once for all a suitable remuneration for his trouble in preparing that form, no further charge should be made against the public on this account. For affixing the public seal, and for registering transfers and mortgages, moderate and certain fees should be established, the amount of which you will of course report for my approval, but I am disposed to think that they should not, at least for affixing the seal, exceed five dollars.

It only remains for me to state, with reference to the point raised by Sir Henry Pottinger in his despatch, No. 37, of the 4th May last, that he appears to me to have acted judiciously in deciding that the value of any lands which may require to be resumed for public purposes should be assessed by a jury, instead of being determined on the responsibility of the Surveyor-general.

I have, &c.
Governor Davis, &c. &c. &c. (signed) *Stanley.*

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(No. 56.)—Financial.

My Lord, Victoria, Hong Kong, 8 May 1845.

With reference to your Lordship's despatch, No. 57, of 19th November, sanctioning generally the measures which had been adopted regarding the allotments of Crown land in this colony, I have to state that notice will be given to the parties interested of the decision of Her Majesty's Government. The arrangements already concluded have indeed been generally acquiesced in; and whatever might have been the allegations of those who complained, it is clear that these were utterly disproved by the fairest of all tests, the results of public competition in the market.

With regard to the three terms of fees in the Land Department, to which your Lordship justly objected, as they stood in the schedule, the following will be the amended scale.

On preparing any lease or grant, 10 per cent. on the amount of the annual rental will be dropped altogether.

Affixing the public seal to leases or grants. This, in lieu of being five per cent. *ad valorem*, has been fixed for the future at five dollars on all indiscriminately.

Registering any assignment, mortgage, or other alienation. Although this fee as stated is at five per cent. on the annual rental in the Schedule to which your Lordship refers, yet in Ordinance No. 3, of 1844, for the registration of real property within the colony (already confirmed by Her Majesty), the rate was altered, and the amount of the fee on registration fixed at five dollars on all, without reference to the value. This seems to be in conformity with the principle laid down in your Lordship's despatch, and will therefore remain unaltered.

I have, &c.
The Right Honourable the Lord Stanley, &c. &c. &c. (signed) *J. Davis.*

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(No. 141.)

Sir, Downing-street, 20 September 1845.

I have to acknowledge the receipt of your despatch of the 8th May last, No. 56, on the subject of the regulations for the disposal of Crown lands in Hong Kong, and reporting the alterations made in those items in the table of fees to be taken in the Land Department, to which I had objected.

These alterations appear to meet the objections which I had taken to the original scale, and I have accordingly to convey to you my approval of them.

I have, &c.
Governor Sir. J. F. Davis, &c. &c. &c. (signed) *Stanley.*

No. 1.
No. 2.
No. 3.

(No. 117.)—Executive.

My Lord, Victoria, Hong Kong, 26 August 1845.

I HAVE now the honour to forward the memorial addressed by certain house and land-owners of the town of Victoria to your Lordship. Many persons have refused to sign it.

The object of the memorialists is to complain of the terms on which they hold their lands from Her Majesty's Government, and to object to the whole system of this colony. Many of the misrepresentations, especially with regard to the impositions on the trade, and the prosperity of the settlement, were so palpable that I could not let them go home unanswered. A copy of the reply through the Acting Colonial Secretary I have the honour to enclose herewith; and as it embodies almost everything that I could address to your Lordship in refutation of their allegations, and in defence of the Government, I deem it sufficient to forward the same, for the information of Her Majesty's Ministers, without further troubling your Lordship by this despatch. A number of printed copies of the reply to the memorialists shall be forwarded by the present opportunity.

I have, &c.
(signed) *J. F. Davis.*

The Right Honourable the Lord Stanley,
&c. &c. &c.

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Sir, Victoria, 13 August 1845.

WE have the honour to forward to your Excellency herewith a memorial addressed to the Right hon. Lord Stanley, Her Majesty's Secretary of State for the Colonies, and we beg to request your Excellency will be pleased to have the same forwarded by the mail of the 1st September.

And we trust that, under the circumstances stated in that memorial, your Excellency will see fit to direct the suspension of Ordinance No. 2, pending the receipt of a reply from Her Majesty's Government.

We have, &c.

(signed)

| | |
|---|---|
| *Jardine, Matheson & Co.* | *Robt. Strachan.* |
| *Dent & Co.* | *Hughesdon & Co.* |
| *Macvicar & Co.* | *George R. Barton*, M. D. |
| *Fox, Rawson & Co.* | *N. Duus.* |
| *Turner & Co.* | *Burd, Lange & Co.* |
| *Lindsay & Co.* | *John Cairns.* |
| *Gibb, Livingston & Co.* | *Henry Holgate.* |
| *Jamieson, How & Co.* | *M. Ford & Co.* |
| *W. and T. Gemmell & Co.* | *L. Just*, sen. |
| *Fletcher & Co.* | *L. Just*, jun. |
| Per pro *Murrow & Co.*, *Chas. W. Murray.* | *D. Lapraik.* |
| | *J. D. Porter.* |
| *Thos. Ripley & Co.* | *Geo. Duddell.* |
| *Dirom, Gray & Co.* | *J. Palmer.* |
| *Holliday, Wise & Co.* | *Chas. W. Bowra.* |
| *R. Oswald & Co.* | *Saml. Jno. Cooke.* |

His Excellency J. F. Davis, Esq.
Governor of Hong Kong, &c. &c. &c.

(True copy.)

*W. Caine*, Officiating Colonial Secretary.

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My Lord,

THE period has at length arrived when, as owners of land and property at Hong Kong, we can no longer refrain from addressing ourselves direct to Her Majesty's Government, in the confident hope that a plain statement of facts will induce Her Majesty's advisers to sanction a material modification of the system which has hitherto been in operation, occasioning results alike injurious to the interests of the mercantile community, and the real and essential interests of the settlement.

It will scarcely be necessary for us, in the first place, to submit, that shortly after the island was first ceded or taken possession of by Her Majesty's plenipotentiary in China, in the early part of 1841, a public sale of land was held, at which it was stipulated that the "terms and tenure of all property would hereafter be defined by Her Majesty's Government."

But in a letter of Her Majesty's plenipotentiary, dated 17th June 1841, copy of which is hereunto annexed, an expectation was held out that the lands would be granted in fee-simple for one or two years' purchase, at the rates paid at the public sale; or that they

should be charged only with a nominal quit-rent, if that form of tenure continued to obtain.

This suggestion on the part of Her Majesty's plenipotentiary originated in the well-known fact, that the very limited quantity of ground available for building purposes on the proposed site of the present town of Victoria, was the occasion of great competition, and the eventual payment of a scale of rent, which that officer naturally and truly apprehended would, if enforced, be detrimental to the progress and prosperity of the settlement.

During the time which intervened between the occupation of the island by Her Majesty's Government, in March 1841, and the treaty of Nankin, in June 1843, a period of upwards of two years, the local government of Hong Kong used every endeavour, both by facilities temporarily offered to early occupants of land, and the threat of penalty of forfeiture of their purchases to all who did not commence building, to induce the British merchants to remove from Macao to the new settlement, and nothing was, up to that date, said or done to induce holders of land to apprehend either that the promises of Her Majesty's plenipotentiary would not be strictly fulfilled, or that they would be placed in a more unfavourable situation than parties similarly circumstanced in other British colonies.

Large sums were consequently expended in the erection of dwellings and warehouses in the new town of Victoria, to an extent which would have rendered it injurious to all, and ruinous to many, to be compelled to abandon their property; and it was not until the early part of 1843 that it was notified: "That Her Majesty's Government did not see fit to recognise sales or grants of land that had been made by or under any authority whatsoever, up to the period of the exchange of the ratification of the treaty of Nankin."

But as Her Majesty's Government must have been well aware that the colonists had acted with perfect reliance on the good faith and justice of their Government, this order was so far qualified, that on the 23d August 1843, it was notified:

"That an inquiry should be instituted into the equitable claims of all holders of land to a confirmation, either permanent or temporary, of their titles, so far as they could be confirmed consistently with a just regard to the interests of society at large."

In the early part of 1844 we were, for the first time, made acquainted with the terms on which the Crown lands were to be held, and Sir Henry Pottinger, then Governor of the island, published the forms of the leases required to be executed.

The conditions of these leases were universally considered so unusual, and so certain in their operation to be ultimately injurious, not only to the holders of land, but to the future welfare of the colony, that we were compelled to protest most solemnly against them, in a correspondence with the Governor, dated in March 1844, from which correspondence we beg to subjoin the following extract:—

"We may be allowed to point out to your Excellency, that an adherence on the part of Government to the proposed terms of lease would be eventually the means of placing those who first commenced improving their property in Hong Kong, and who, from the sums already expended, cannot withdraw from the occupation of their buildings without ruinous loss, on most unfavourable terms compared with others, who have the option of resorting to places where land can be bought or rented on much more moderate conditions; and we submit, that it can never be the wish or intention of Her Majesty's Government to place the early occupants of land in such a position."

No redress has, however, been granted; and disregarding the future prosperity of the settlement, in the desire to raise a comparatively large temporary revenue, the local government has persisted in forcing unusually hard conditions on the landholders, who had been led into a large expenditure of money, owing to their faith in the promises under which the land was originally sold (promises which were at any rate tacitly acknowledged by the Government, and not repudiated until after the lapse of three years); while at the same time it is no exaggeration to state, that had the existing regulations been promulgated before, instead of after the outlay of their funds, not one British merchant would have been found willing to become a resident in the colony.

"We have deemed it necessary and due to ourselves to enter thus at length into some account of the formation of the colony and its progress hitherto, with the view of showing: First, the nature of the inducements under which we were led to abandon our residences at Macao and Canton, where both house-rent and taxation are very light; which we may illustrate by the fact that the ground-rent alone of most of the eligible sites in Hong Kong, is (without including rent or interest of money) a heavier charge than all payments, rent inclusive, required of the tenants of houses in Macao.

And secondly, to prove that the very onerous terms on which we have been compelled to occupy our property in Hong Kong, have been forced on us, not only against our urgent remonstrances, as a question of justice and equity, but in opposition to what we have always considered and represented to be the true interest of the colony.

Since the enforcement of these leases, the measures of the existing government of the island have still further aggravated the evils under which we have been suffering, by making, in a place nominally declared to be a free port, every description of commerce and trade a subject of taxation, or source of revenue, or of monopoly sold to the highest bidders; thus driving away, instead of encouraging, trade in an infant settlement; and, lastly, we have now to complain of the promulgation of an ordinance, which we submit to be unconstitutional and illegal, empowering government assessors arbitrarily to value all household property, with the view of raising a new tax, ostensibly for payment of a police force, there being

being no municipal body of any kind in the colony to determine whether such tax be necessary, or equitably levied and appropriated.

The result of the system actually in operation for the last two years, commencing with the proceedings in land sales and leases under the administration of the first Governor, and continued by the financial arrangements of his successor, is sufficiently exemplified in the present state of the colony; for owing to the heavy rents and unsatisfactory tenure of property, the continued arbitrary taxation, and impediments to trade of all kinds, and the entire want of confidence, as well on the part of the foreign community in China, as of the Chinese themselves, as to the establishment of a better course of policy, there is, at this moment, after four years' occupation of the island, scarcely one foreign resident, except government officers, and those British merchants and traders who commenced building before the enforcement of the leases; there are no Chinese merchants, or even shopkeepers with any pretension to property; there is neither an import or export trade of any kind; and, as will be seen by the public papers, even now, when many private dwellings are temporarily occupied by the civil and military officers of government, pending the completion of the public buildings, several houses have been untenanted for months past, and the value of all property is daily on the decrease.

It is necessary to bear in mind, that the trade of this part of China has long been accustomed to flow through other channels, that the island of Hong Kong has no natural productions, or consumers of imports, beyond the mere wants of the colonists themselves, and is even dependent for its daily supply of food on the main land; and that a place so circumstanced, especially in a country like China, proverbially averse to sudden change, can only be expected very gradually to acquire a trade by facilities and encouragement, instead of being subject to ceaseless and heavy taxation; charges from which places in its vicinity are moreover exempt.

We trust, therefore, we shall not be deemed presumptuous in submitting to Her Majesty's Government our urgent entreaty that they will be pleased to direct the abolition of the opium farm, auction duties, and other harassing taxation recently imposed, which have already had the effect of deterring many Chinese from settling in the place, and driven away several who were already established, and been, in fact, utterly destructive of our incipient trade. If this be not conceded, many of the European residents will also be compelled to quit a place totally without commerce, but more heavily taxed, in ground-rents alone, than any other part of China, and remove to those ports where the trade is actually carried on, abandoning properties on which many have expended their whole fortunes.

We further venture to suggest that the system adopted in other colonies may reasonably be extended to this distant settlement; and that it is hoped Government will be pleased to authorize the formation of a municipal body, vested with the usual power of deciding on the appropriation of the monies raised for local purposes.

We cannot, in conclusion, refrain from urging that such a settlement as Hong Kong was never actually required by the British merchants; and that it has become even less so since the opening of the five Chinese ports, where the foreign residents are free from all taxation, and where the rent of land and houses is generally very moderate.

We submit, therefore, that it will be found as inexpedient in principle, as, under existing circumstances, we consider it would be unjust in practice, to call on the civil part of the community for any large proportion of the expenses of a colony which is held rather as a military and naval station, giving Great Britain the command of these seas, and as the residence of a few merchants, occupied in extending British commerce along the coast of China, and keeping up an active correspondence with the rest of the world, than a place which, under any circumstances, can be expected to possess an extensive trade, or afford any considerable revenue towards the payment of its own expenses.

We have, &c.

(signed)

*Hughesdon & Co.*
*George R. Barton*, M. D.
*N. Duus.*
*Burd, Lange & Co.*
*John Cairns.*
*Henry Holgate.*
*M. Ford & Co.*
*L. Just*, sen.
*L. Just*, jun.
*D. Lapraik.*
*J. D. Porter.*
*Geo. Duddell.*
*J. Palmer.*
*Chas. W. Bowra.*
*Sam. Jno. Cooke.*
*Jardine, Matheson & Co.*
*Dent & Co.*
*Macvicar & Co.*
*Fox, Rawson & Co.*
*Turner & Co.*
*Lindsay & Co.*
*Gibb, Livingston & Co.*
*Jamieson, How & Co.*
*W. & T. Gemmell & Co.*
*Fletcher & Co.*
Per pro *Murrow & Co.*,
*Chas. W. Murray.*
*R. Oswald & Co.*
*Thos. Ripley & Co.*
*Dirom, Gray & Co.*
*Holliday, Wise & Co.*
*Robt. Strachan.*
*John Carr.*

The Right Hon. Lord Stanley,
Her Majesty's Principal Secretary of State for the Colonies,
&c. &c. &c.

Appendix, No. 1.

Report on Tenure of Land.

SALE OF LANDS ON HONG KONG ISLAND.

Gentlemen, Macao, 17 June 1841.

HAVING had under my consideration the particulars of the first sales of lots in Hong Kong on the 14th instant, I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of my purpose to move Her Majesty's Government either to pass the lands in fee simple for one or two years' purchase at the late rates, or to charge them in future with no more than a nominal quit-rent, if that tenure continues to obtain.

My own object respecting the disposal of lands pending the pleasure of Her Majesty's Government, was to secure to firms and all other persons (British or foreigners) having permanent interests in the country, sufficient space for their necessities, at moderate rates, with as little competition as might enable parties to accommodate themselves according to their respective wants. I feel assured upon attentive reflection that steady adherence to this rule will be found most conducive to the well-understood interests of the establishment, and to the fair claims of persons upon the spot. Parties falling within the description I have specified, not yet supplied with lots, will soon be in a situation to accommodate themselves.

May I request you, Gentlemen, to circulate this letter.

I have, &c.

To Messrs. Jardine, Matheson & Co. and Dent & Co.

(signed) *Charles Elliot*,
Chief Superintendent charged with the Government of Hong Kong.

(True copy.)

*W. Caine*,
Officiating Colonial Secretary.

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(Private.)

LETTER from the Officiating Colonial Secretary to the Subscribers of a Memorial to Lord *Stanley*.

Colonial Office, Victoria, Hong Kong,

Gentlemen, 25 August 1845.

I AM directed by his Excellency the Governor to acknowledge the receipt, on the 23d instant, of your letter dated the 13th, enclosing a memorial to Lord Stanley, and to inform you that the said memorial shall be duly forwarded to his Lordship, according to your wish.

In the perusal of this paper several observations have occurred to the Governor and Council, which they consider the present a convenient occasion slightly to notice.

His Excellency's predecessor, Sir Henry Pottinger, in consequence of complaints against the high land rents, similar to those urged in the present address to Lord Stanley, appointed a Board of Officers to value the lots disposed of at the early sales, with the provision, that should any individual deem his lot overvalued by the Board, he should be at liberty to hold it at the average rate at which similarly situated lots might be disposed of at the approaching public sale. This sale took place not long afterwards. The minimum price affixed to the lots was the same as that placed on similar lots previously granted, and the result was, that while the upset price of the lands amounted to 1,300 *l.*, they were sold by auction for a rental of 2,000 *l.*, proving that the former rates had not been unfair.

The lots disposed of at the latest sales, with the full knowledge of the terms of existing leases, have continued to average as high as at the preceding ones. Lord Stanley remarks in a recent despatch, that "it would be difficult, as Sir Henry Pottinger has observed, to apply any better test of value than sale in a fair and open market."

With all the alleged discouragements and disadvantages, the building of substantial private houses has continued uninterrupted, until the present year deprived Macao of its remaining English merchants. If rents are now reduced to nothing at that place, this must chiefly arise from its desertion. As to Canton, the rents and prices at that principal seat of the Chinese trade are notoriously exorbitant, and it is impossible to conjecture what they would have been, but for the outlet and the advantages afforded to the merchants of warehousing their goods in a British colony.

The memorial states, that "in a place nominally declared to be a free port, every description of commerce or trade is a subject of taxation or source of revenue." The answer to this is the well-known fact, that not a single customs duty is levied on the import or export of a single article of commerce or consumption; no package is inspected by a government officer in either landing or shipping; no custom-house whatever is in existence; and although advised by Her Majesty's Government to levy a small tonnage-duty, to pay the harbour expenses, his Excellency the Governor has disobeyed his instructions rather than interfere with the freedom of the port, by imposing even 6 *d.* a ton, when the harbour dues at the five ports and at Macao are about 3 *s.*

No import duty whatever has yet been levied on even wines and spirits, a productive source of revenue in other colonies. It would be difficult to show that any direct tax whatever (unless land rent be so termed), has been paid by the English portion of the community. While an income tax of three per cent. is paid by the civil, military, and naval officers

officers of the Government, in common with their fellow-subjects in England, nothing of the kind is known to the richest colonist of Hong Kong. It seems unfair and partial, after the resources of the mother country have been profusely expended in protecting the persons, and extending the markets of its mercantile subjects in China, that the greater part of the future civil expenses of this colony should fall on the British public, as an exception to most other colonies.

The alleged absence of progress in the trade and population of Hong Kong, can only be judged of by an appeal to facts. The harbour-master's official return shows that the European tonnage of the half-year, ending 30th June last, was 62,264, while in the previous corresponding half-year it was only 49,371. It has been admitted even by those opposed to the Government, that a growing native trade in junks has commenced, in spite of the 13th article of the supplementary treaty. Mr. Gutzlaff reports, that 120,000 pieces of cotton goods have been taken away by 13 junks in this year.

It is little more than a twelvemonth since life and property were constantly endangered by the nocturnal attacks of armed banditti, and 12,000 rupees of Government money carried off by force, the soldiers who guarded it being murdered. A strong and effective police, and the rigorous execution of the laws, have put an end to this, and the consequences are seen in the increased numbers and respectability of the Chinese population. The rapid rise of good native shops in different parts of the town is visible to all, and at the same time only one of the proofs which the Government possesses of an increase and improvement, which mere allegations cannot unsubstantiate.

A rent of just 1,000 *l.* per annum is at present paid for an indifferent house, which did not cost double that sum in building. The daily and unceasing growth of dwellings on all sides, each surpassing the other in accommodation, must certainly tend to depreciate such property as this. It is much better that it should, being the natural result of that law, by which supply increases with demand, and price diminishes with supply, until all has reached a more permanent level.

With regard to the opium and the smaller licensed farms, which (with the exception of Crown rents), form at present the chief sources of revenue, these have been strictly adopted in their details from Singapore, a place generally quoted as a model of free trade prosperity.

His Excellency the Governor and the Legislative Council will be happy to carry out any alteration which Her Majesty's Government may please to prescribe as to the mode of levying the police rate. As the present ordinance was drawn up with the assistance and advice of the colonial law officers, it may be presumed to be sufficiently correct, as a mere legal measure. In reply to the objection that Government assessors are empowered arbitrarily to value all household property, it must not be forgotton that there is an appeal open to those who deem themselves overrated. The moderation of the assessment (whatever the mode may be), is best proved by the deduction of 40 per cent. from the gross annual value, in consideration of the exorbitant rents at present paid for houses. The same is to be inferred from the total estimated collection of not more than one-third of the actual expense of the police force, a body whose efficiency has been generally admitted, and whose protection few are unwilling to enjoy.

It may be presumed, that if the colonial community were to be charged with the management of the police, it would be required to provide for its entire outlay, and in this manner the Government would have both less trouble and less expense.

His Excellency the Governor and the Executive Council, for the reasons above stated, at length, and because the preparatory measures have already taken much time, see objections to suspending Ordinance No. 2; and they therefore regret that in this respect it is out of their power to meet the wishes of the subscribers to the memorial.

I have, &c.
(signed) *W. Caine,*
Officiating Colonial Secretary.

To Messrs. Jardine, Matheson & Co.,
Dent & Co., Macvicar & Co.,
&c. &c. &c.

(True copy.)
(signed) *W. Caine,*
Officiating Colonial Secretary.

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(No. 121.)—Executive.

My Lord, Victoria, Hong Kong, 30 August 1845.

THE enclosed reply of the merchants to the letter from the Officiating Colonial Secretary, already forwarded to your Lordship in my despatch, No. 117, has just been received as the despatches are about to close, to-morrow, the last day of the month, being Sunday.

Your Lordship will form a judgment of the arguments urged in reply to the letter above mentioned, and I will only add, in regard to the facts, that I can perceive no substantial refutation of those stated by the local government. The merchants have, however, been informed that a copy of their letter would be forwarded immediately to your Lordship, for an early and full consideration.

I have, &c.
(signed) *J. F. Davis.*

The Right Honourable the Lord Stanley,
&c. &c. &c.

Appendix, No. 1.

Report on Tenure of Land.

(In 1889, Hong Kong.)

Sir, Victoria, 29 August 1845.

We are directed by the parties who signed the memorial forwarded through his Excellency the Governor, on 13th instant, to transmit the following reply to the remarks contained in your letter of 25th instant.

The reasoning by which it is attempted to show that the high rents in Hong Kong have been voluntarily paid, we conceive to be entirely fallacious. The facts connected with the early sales of land have been already adverted to in the memorial. We may, however, observe, in further explanation, that in June 1841, when the first sale was held, 100 lots, having water frontage, and 100 suburban lots, were advertised for sale; but owing to the very unfortunate selection of the site of the new town (a matter in which the merchants had no voice), sufficient available ground could be found to admit of only 50 lots being put up, and great competition was the natural consequence. As no money was paid, or penalty, beyond forfeiture of the land, incurred by non-completion of the purchase, it is not a matter of surprise, that when a number of lots, insufficient for one-third of the intending buyers, were brought to sale, the biddings should have been unusually high; but as Her Majesty's plenipotentiary found that these nominally enormous rates were deterring parties from building, he considered it expedient to give the assurance contained in his letter annexed to our memorial.

Neither under Captain Elliot's administration, nor under of that of his successor, Sir Henry Pottinger, were any rents at first claimed or leases published; and it was only after the holders of land had been induced by a variety of promises and encouragements to expend large sums of money in buildings, that it was found the Government intended to adhere to the scale of rent first paid, and to repudiate Captain Elliot's other engagements.

In the latter sales, held in the time of Sir Henry Pottinger, still more limited quantities of eligible land (we allude more particularly to water frontage, a situation almost indispensable for a mercantile house) were brought forward, and as at that time it was well known the greater number of British merchants had to make arrangements rendering their removal to Hong Kong unavoidable, it is not surprising that the false standard originally established should have continued to obtain.

But of the purchases made at that sale, you, Sir, must be well aware that many of the lots remain unoccupied, and are likely to continue so, as the Government have, we believe, no security under which they can enforce the completion of the agreements.

When the memorialists stated that the ground rent alone in Hong Kong exceeds the house rent and all charges attendant on the occupation of a residence in Macao or Canton, they did not allude to the existing rates paid in Macao, which are unusually low, but to what were generally the rates three and four years ago, prior to their removal to Hong Kong.

If the rent of houses in Canton, since the destruction of half the foreign factories by fire, has temporarily been higher than it was prior to that event, the circumstance is easily explained by the statement, that Sir Henry Pottinger, with a view, it is presumed (indeed it was at one time openly avowed), of forcing the British merchants to Hong Kong, studiously neglected to provide by treaty for any extension of the ground allotted to the foreign community in Canton, or indeed for adequate facilities being afforded to build on the space they formerly occupied; many months were indeed allowed to elapse after the retirement of Sir Henry Pottinger before any steps were taken by his successor to remedy this grave evil; and even at this moment Her Majesty's consul is residing in a Hong merchant's warehouse in Canton.

There cannot be a stronger proof that the high rents, and generally unsatisfactory state of the colony, deter others from settling here, than the fact, that the Americans and all other foreigners remain in Canton and Macao, notwithstanding all the boasted advantages of Hong Kong as a free port.

That a particular house was, under very peculiar circumstances, rented for 1,000 *l.* a year may be very true; and that in a place where for three years the strange anomaly appeared of a Government offering every inducement to the merchants to commence building, but delaying even the commencement of barracks for their troops, or quarters for their officers, to an extent that rendered it at one time a question whether they should not be billeted on the public, is equally the fact; but that, when Government buildings sufficient to accommodate their establishment are finished, the rent of houses will be sufficient to pay an interest on the money expended on them, is an expectation which the most sanguine proprietors cannot entertain while the present system continues in force.

The substantial buildings to which your letter refers, were most or all of them commenced many months, and some even two years, since; but although Hong Kong has been nearly four years in existence, the commencement of new houses of any magnitude can nowhere be seen; a state of matters, we believe, without a parallel in the history of the British colonies.

While the place continues the seat of Government, and the head-quarters of steam communication, many English mercantile houses may find it necessary to keep up establishments here, and a small Chinese population will remain with them; but when the present Government and other buildings, long since commenced, are finished, a large proportion of the present inhabitants must emigrate from a place where, from the absence of trade, they can have no occupation, while the continuance of oppressive taxation will be but too certain to prevent an increase of property or population of any kind.

We are unable to admit the force of the remarks of his Excellency in Council, by which it

it is endeavoured to justify the opium and other licensed farms, "because the same system is in existence at Singapore." It is difficult, we conceive, to find two places whose situation is more dissimilar in every respect.

Singapore is a place where rent of land is remarkably moderate; it is the emporium of an important and valuable trade, with a large and comparatively wealthy population. Hong Kong, on the other hand, is already taxed in ground rents alone higher than any colony in the world; it has no trade at all, and is the mere place of residence of the Government and its officers, with a few British merchants, and a very scanty and poor Chinese population.

When Hong Kong is as able to bear taxation as Singapore, it may, in our humble judgment, be still a question whether the heavy ground rents ought not to exempt the inhabitants from further payments; but whatever may eventually be considered expedient, we would wish to impress upon the Government our belief, that oppressive burthens laid on an infant trade, and on a new colony, situated as Hong Kong now is, must inevitably be not only unjust to the early settlers, but ultimately fatal to the settlement itself.

We are bound, as merchants, to speak with diffidence on points of law, where we find our views at variance with those of the colonial law officers; but we must still adhere to our opinion, and reassert our conviction, that Ordinance No. 2 is alike unconstitutional and illegal.

We quite concur with his Excellency in the wisdom of his having refused to levy a small tonnage duty in Hong Kong; for as most of the business transacted in this harbour consists in the mere transhipment of goods from one vessel to another, we are satisfied that any attempt to enforce such a charge would merely have had the effect of driving the ships to one of the adjacent anchorages without the limits of the port.

We also fully concur in the sound policy which has exempted wine, beer, and spirits from duty, inasmuch as any revenue which could have been derived from the limited consumption in so small a community, could not have been expected to pay the expense of collection.

That the civil, naval, and military servants of Government are subject to the payment of three per cent. as an income tax in Hong Kong, from which the merchants are exempt, we submit does not apply to this as a colonial question; for they are equally liable to that tax at other places, and even on the high seas.

It remains for us to notice the remarks of his Excellency in Council on what is termed the trade of Hong Kong.

The reported increase in tonnage we cannot consider any proof of extended trade, for it shows nothing more than the number of ships that have anchored in Hong Kong, on their way to other ports.

All, or nearly all, the cotton ships from India have stopped a few hours in Hong Kong before proceeding to Canton, but not a single bale of their cargoes has been landed or sold here; and the same remark may generally apply to the ships from England.

But it would be as erroneous to infer from the number of inward vessels that there is an increase of trade, or indeed that there is any trade at all, as to suppose, because all the English tea-laden ships from Canton call here for their despatches, that Hong Kong is the centre of the tea trade.

With regard to the report of Mr. Gutzlaff, "that 120,000 pieces of cotton goods have been taken away by 13 junks this year," we are not prepared to deny that this officer may have access to sources of information of which we are deprived; but we submit that some doubt may be entertained of the authenticity of mercantile statements which appear to have eluded the observation of the whole mercantile community. We are quite satisfied Mr. Gutzlaff must have been convinced that such a trade really existed; but as we cannot find that his information has been derived from any of the British merchants, we are apprehensive that he has relied on the reports of the Chinese junk people, a class by no means remarkable for strict adherence to correctness in questions of statistical detail.

Supposing, however, the reports to be correct, it by no means follows that such deliveries of cotton cloths can be deemed part of the trade of Hong Kong, for nothing is of more common occurrence than for the junk owners to purchase goods in Canton, deliverable outside the port, at Macao, Hong Kong, or elsewhere; and if this place did not exist, the business would be carried on at any other convenient anchorage.

Giving, however, the fullest measure of credit both to Mr. Gutzlaff's informants and the inference that his Excellency in Council appears to deduce from the report, we venture to remark that if, after four years' occupation of the colony, the only trade which can be found to exist, after apparently the most diligent inquiry, is an export of 120,000 pieces of cloths, in a place possessing all the advantages of a free port, so pointedly enumerated in your letter now under reply, there is yet scarcely sufficient business transacted, or likely soon to be transacted, in the colony as to justify heavy taxation.

The following tabular statement, taken from official returns, will show the position of the question more accurately, assuming (what as above stated we do not think it would be correct to admit) that the 120,000 pieces of cotton cloths belong to the trade of this place.

*Import Trade.*

Canton, for the year 1844.

Tonnage, 83,679 tons - - - Value, 3,883,828 *l.*

Shanghai, for half-year ending 30th June 1844:
Tonnage, 6,578 tons. - - - Value, 442,757 *l.*

Hong Kong, for half-year ending 30th June 1844:
Tonnage, 62,264 tons.

*Year's Trade.*

120,000 pieces cloths, say 10*s.* - - - 60,000 *l.*

In conclusion, while expressing our sense of the courtesy of his Excellency in Council in furnishing us with the remarks in question on our memorial, we cannot but again lament that the existing government appears resolved to disregard the deliberate opinions of the whole mercantile community, and sacrifice to a fallacious appearance of present prosperity the just claims of the colonists and the real interests of the settlement.

We have, &c.

(signed) *Alexander Matheson.*
*George T. Braine,*
*Gilbert Smith,* } Committee.
*Crawford Kerr,*

The Hon. Major W. Caine,
Officiating Colonial Secretary.

(True copy.)

(signed) *W. Caine,*
Officiating Colonial Secretary.

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(No. 120.)—Financial.

My Lord, Victoria, Hong Kong, 10 October 1846.

I HAVE the honour to enclose a copy of the Surveyor-general's report of the last sale of Crown lands, from which it will appear that eligible sites are still at a considerable advance beyond the upset price. The ground sold on this occasion had been lying encumbered by the coal stores of the navy, which I at length succeeded in clearing off.

A square of 80 feet by 60 was required for the erection of a public ice-house by subscription; and as ice has been found of important efficacy as a remedy in fevers, &c. at the military and other hospitals, I was induced to grant that small space (as marked in the enclosed plan) free of rent, subject to your Lordship's sanction.

I have, &c.

The Right honourable the Earl Grey,
&c. &c. &c.

(signed) *J. F. Davis.*

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(No. 61.)

Surveyor-general's Office, Victoria,
9 October 1846.

Sir,

I HAVE the honour to enclose, to be laid before his Excellency the Governor, a list of the leases of Crown lands put up for sale on the 1st instant, accompanied by a plan showing the position of the lots.

It will be perceived that those in really eligible situations averaged 70 per cent. on the upset rental; those lots in unfavourable locations were not disposed of.

I have, &c.

(signed) *A. T. Gordon,*
Surveyor-general.

Honourable Major Caine,
Officiating Colonial Secretary.

(True copy.)

(signed) *W. Caine,*
Officiating Colonial Secretary.

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## LAND LEASE SALE, VICTORIA, 1st OCTOBER 1846.

| Number of Lot. | Names of Purchasers. | Boundary Measurements. | | | | Contents, Square Feet. | Class. | Rate per 11,025 Square Feet. | Upset Annual Rental. | Knocked down at per Annum. | Advance upon Upset Rental. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | North. | South. | East. | West. | | | | | | |
| Inland. | | *Feet.* | *Feet.* | *Feet.* | *Feet.* | | | £. | £. s. d. | £. s. d. | £. s. d. |
| 291 | George Duddell - - - - | 50 | 50 | 100 | 100 | 5,000 | 1st | 40 | 18 3 – | 35 3 – | 17 – – |
| 292 | Samuel Solamon Hamilton - - | 50 | 50 | 100 | 100 | 5,000 | " | " | 18 3 – | 29 3 – | 11 – – |
| 293 | Rowland Rees - - - - - | 50 | 50 | 100 | 100 | 5,000 | " | " | 18 3 – | 25 3 – | 7 – – |
| 294 | Edmund Rufus Mitchell - - - | 50 | 50 | 100 | 100 | 5,000 | " | " | 18 3 – | 32 13 – | 14 10 – |
| 295 | William Hastings - - - - | 60 | 37 | 100 | 102 | 4,850 | " | " | 17 12 – | 40 – – | 22 8 – |
| 32 | Rowland Rees - - - - | 132 | 117 | 70 | 71½ | 8,715 | 2d | 30 | 23 15 – | 24 – – | – 5 – |
| 31 | William Tarrant - - - - | 117 | 76 | 180 | 185 | 17,370 | 3d | 25 | 39 8 – | 39 8 – | — |
| 30 | Not sold - - - - - | 100 | 100 | 70 | 70 | 7,000 | " | " | 15 18 – | — | |
| 38 | Charles Markwick - - - - | 100 | 100 | 60 | 60 | 6,000 | " | " | 13 12 6 | 13 12 6 | — |
| 39 | George Duddell - - - - | 100 | 100 | 70 | 70 | 7,000 | 2d | 30 | 19 1 – | 30 – – | 10 19 – |
| 290 | Not sold - - - - - - | 60 | 45 | 111 | 110 | 5,775 | " | " | 15 15 – | — | |
| 64 | Not sold - - - - - - | 45 | 25 | 131½ | 130 | 4,550 | 3d | 25 | 10 7 – | — | |
| | | | | | | 81,260 | - - | - - | 228 – 6 | | |
| | Deduct Upset Annual Rentals of Lots unsold - - - - - - - - | | | | | | | | 42 – – | | |
| | Upset Annual Rentals of Lots sold - - - - - - - - - £. | | | | | | | | 186 – 6 | 269 2 6 | 83 2 – |

Surveyor-General's Office, Hong Kong,
9 October 1846.

(signed) *A. T. Gordon,*
Surveyor-General.

(True copy.)

(signed) *W. Caine,*
Officiating Colonial Secretary.

## REVENUE AND EXPENDITURE, 1846.

Appendix, No. 1.

(No. 31).—Civil.

Revenue and Expenditure, 1846.

My Lord, Victoria, Hong Kong, 13 March 1847.

I HAVE the honour to forward herewith the third Blue Book of the colony of Hong Kong, being for the year 1846.

Revenue.

The last exhibited an improvement in the revenue from 9,534 *l.* to 22,242 *l.* The present one shows an increase from the last named sum to 27,047 *l.* It would be easy to augment this amount, but I have always kept in view the importance of leaving the trade of the place entirely unfettered. To this end I have not even imposed a tonnage duty on shipping, and have abstained from bringing into operation an ordinance which was drawn up for imposing a duty on wines and spirits imported into the colony. No custom-house whatever is in existence.

One of the beneficial results of this perfect freedom of trade has been the fact communicated to your Lordship in my despatch, No. 141, of 12th December, wherein it appears from the statement of Mr. Consul Macgregor, that a large proportion of the British exports from Canton are previously warehoused in this colony.

An inspection of the comparative statement for the two years, at pages 28 and 29 of the Blue Book, will show that the increase of revenue in the last year has accrued rather from the improved productiveness of existing imposts, than from the enactment of new ones.

By the aid of the revenue levied in the colony, I have been able to dispense with a portion of the sums voted in Parliament for its civil expenditure, amounting for two years, to 9,119 *l.*, as detailed in my despatch, No. 17, of 12th February.

With the strong opinion of the Board of Trade in favour of the tax levied on the consumption of opium, as expressed in the enclosure to your Lordship's despatch, No. 46, of 24th November, and with my own concurrent convictions on the same subject, I shall continue to derive a revenue from this source, with such modifications of the existing law as time and experience may dictate.

Expenditure.

While the income of this colony has increased during the past year, it is satisfactory to observe, that the total expenditure has diminished, the difference amounting to 6,375 *l.* 9 *s.* 8 *d.* In my despatch, No. 137, of 24th November, I had the honour to report retrenchments of a permanent nature, in the reduction of salaries, to the extent of 2,800 *l.* per annum, and I at the same time suggested further retrenchments to the extent of 1,800 *l.* yearly.

Military Expenditure.

The military expenditure of this colony is wholly defrayed by the Army and Ordnance Estimates. The reduction of the military establishment and staff, from a field force to the scale of a garrison, will this year effect an important retrenchment in expense, which will be assisted by the change from Indian allowances to ordinary colonial pay.

Some of the most important military works, as the barracks and hospital, have been completed. On the town and harbour side two open batteries have been constructed, one at the east sea front of the cantonment mounting nine guns, and another upon Government Hill, on the west land front of the cantonment, which mounts six guns. The only remaining defence to be constructed towards the water on this side is a large battery of 15 guns, *à fleur d'eau*, to command the whole harbour, the site for which is now levelling.

Public Works.

The expenditure on account of public works during the ensuing 12 months will be comparatively large, on account of the building for the public offices, estimated at 14,300 *l.*, to be executed by the Ordnance Department. The works already in progress, or of which the reports and estimates have been sanctioned by Her Majesty's Government, comprise nearly all that are required by the early exigencies of this new colony, with the exception of a court-house, which is at present rented, and of a government-house, which I have left to the last.

In my Report of last year I stated that a good road extended within five miles of the circumference of the whole island, 18 miles being completed out of 23. The remaining five miles are now ordered to be executed, and this work has been commenced. For purposes of military protection as well as police, and for the general traffic and internal communication of the colony, this road is essential.

No. 2.

No. 3.

*Vid* Southampton.

Appended to this despatch are two reports from the surveyor-general on the public works during 1846, and on the progress of his department. From the former of these, it appears that the value of convict labour in the course of the year is estimated at nearly 700 *l.* I find, on examination, that the food and clothing of the prisoners in gaol has amounted to 713 *l.*; and hence it appears that this necessary expense has been nearly repaid by the labour of the convicts.

The completion of gaols has relieved the Government from a heavy amount of rent paid for the occupation of hired buildings, and at the same time greatly augmented the security of the prisoners.

The receipt of a final sanction for the work from your Lordship has enabled me to commence the erection of a colonial church. The first stone of the building was laid by me on the 11th instant, with a large attendance of the colony; and the event is so far memorable, as this is the first Protestant Episcopal church ever erected on the confines of China. The delay which has arisen from the postponed sanction of Her Majesty's Government, has tended to mature the plans, as well as to accumulate funds. One-third of the expense having been contributed by the inhabitants, I have deemed it right to pass an Ordinance, vesting the property and management of the church partly in trustees chosen by the subscribers,

scribers, and partly in others nominated by the governor. A copy of the Ordinance in question will be transmitted by the next mail. Appendix, No. 1.

Under the head of Legislation, only seven Ordinances were passed during the year 1846, and four of these were to amend or modify the provisions of previously existing laws. The most important enactment of the year has been Ordinance No. 3, for the relief of insolvent debtors, which has received the sanction of Her Majesty. From Ordinance No. 7, for the more effectual registration of the Chinese inhabitants, I anticipate the best effects. Legislation.

Some apparent diminution in the gross amount of the Chinese population, as compared with last year, is explainable by a more careful system of registration, which, while it gives a truer account of the actual number, relieves us from those who hung loose on the community, and only applied for tickets to make a bad use of them. The number of females and of families has increased from last year, and this (as I before observed) is a very favourable indication, being symptomatic of more fixed habits, and a confidence in our Government. Population.

The return of population is entirely exclusive of the troops, which amount to about 1,300. The English population is 618, of whom 167 are females; and the resident strangers amount in all to 768.

In my despatch to Viscount Palmerston, No. 183, of December 28th, I took occasion to point out the remarkable fact, that the progress of this colony presents a most favourable contrast with that of Singapore, at the same period from the commencement, even when reduced to the test of figures. Mr. Crawford, formerly resident at Singapore, states, that when that settlement had existed six years the population consisted of 84 Europeans, and 11,851 Malays, Chinese, and other Asiatics. The revenue, he says, amounted to 87,000 dollars, or 18,125*l.*; Hong Kong has not yet reached its sixth year, and the Blue Book for 1846 shows a total population of 22,453 (exclusive of troops), of which 618 are European, while the revenue was 27,047*l.*

The question of climate seems to be finally set at rest. I have already had to report the rapidly progressive improvement in the health of the European troops of this garrison, in proportion as they were provided with good barrack accommodations, and as the general drainage of the colony advanced. The following statement exhibits at one view the extraordinary improvement since 1843. Climate.

Deaths in European Force.

| Year. | Number. |
|---|---|
| 1843 | 373 |
| 1844 | 216 |
| 1845 | 143 |
| 1846 | 56 |

The total European force by the "Weekly State" returned to me on the 3d January 1846, was 911.

The annual mortality was therefore not more than about six per cent. The colonial surgeon's report shows that the deaths among all persons in civil employ were only one in 30-25, or rather more than three per cent., and he concludes by saying, "It thus appears that the year 1846 has been quite as healthy, if not more so, than the preceding one."

There are four educational establishments in Victoria, conducted by Europeans. One of these is under the charge of the colonial chaplain, and teaches the children of the inferior English population. One is for the instruction of both Europeans and Chinese in the Romish religion, and under the direction of the Propaganda Society of Italy. Two are for the exclusive education of Chinese in European knowledge and the Protestant faith, and entirely of a missionary character. Education.

There are four Chinese schools in Victoria, and about nine others in the different parts of the island. I have before observed that some slight contribution from Government to these native seminaries would be attended with a good effect. They teach only the elements of reading, writing, and accounts, and there is nothing exceptionable on the ground of idolatrous instruction. Neither would they be of a purely eleemosynary character, the greater portion of the expense being borne by the pupils. If these schools were eventually placed in charge of native Christian teachers, bred up by the Protestant missionaries, it would afford the most rational prospect of converting the native population of the island.

Under the head of Christian places of worship, I have to enumerate one English Episcopal church, one Romish church, and four Dissenting chapels in Victoria. There is also a Protestant chapel in the English Cemetery, of a neat and suitable construction, for the performance of the burial service. Places of Worship.

Of Pagan places of worship there are four. One being a Mahomedan mosque and three Chinese temples.

In addition to the Danish and American consuls reported in my last, an American vice-consul has been appointed to act at Victoria. The Blue Book will show an increase in the shipping arrived at Hong Kong, of 387 vessels, as contrasted with 334 in the former year; and 130,199 tons, in lieu of 117,210 tons in 1845. Trade.

A branch of the Oriental Bank is established here on a very extensive scale. It issues notes of from 5 to 100 dollars, and these are found such an exceedingly convenient substitute for the former system of paying sums by weight, that the Chinese themselves readily receive and exchange them. Should this bank be chartered, it is likely to prove of great benefit to the general trade with China.

Appendix, No. 1.

Revenue and Expenditure, 1846.

I have received from the Deputy Commissary-general a very favourable account of the circulation of the British coin sent out by the Treasury. He tells me it has proved extremely useful for small payments, and that even the Chinese have brought dollars to him to be exchanged for sterling. He is going to apply for more, to the amount of 10,000 *l.*

To judge by the augmented number of respectable Chinese shops, the native trade and industry of this place are on the increase. For many of the products of Chinese manufacture it is no longer necessary to send to Canton, as they can be procured equally well here.

A check has been given to piracy in this neighbourhood by the capture, and conviction before the Admiralty Court, of some pirates, and by the delivery (on demand, according to treaty) of others to the Chinese government. One pirate was condemned and executed here in January last, and three more sentenced to transportation for life.

Police.

The judicial and police departments continue to be the heaviest civil charges of the colony. It is to be hoped that a smaller English police force may by degrees be required, and I would recommend that any future superintendent or inspectors of police be selected from persons on the spot, acquainted as these are with the Chinese population, rather than that members of the metropolitan force should be sent out from England to a community whose habits and language are entirely strange to them, and in respect to whom they are therefore placed at a comparative disadvantage.

I have had the satisfaction to state that the completion of the colonial gaols not only relieves the government from the payment of a heavy rent, but is also likely to be attended with diminished expense in the custody and guarding of prisoners. For the sake of greater security, and with a view to the general welfare of the inmates, I have made it incumbent on one of the magistrates to visit the prisons weekly, and send me a written report on their condition.

I have, &c.
(signed) *J. F. Davis.*

The Right Hon. the Earl Grey,
&c. &c. &c.

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Revenue of Hong Kong, 1846.

REVENUE of the Colony of *Hong Kong*, during the Year 1846.

| | £. | s. | d. | £. | s. | d. |
|---|---|---|---|---|---|---|
| Taxes: Police assessment | 1,575 | 4 | 4½ | | | |
| | | | | 1,575 | 4 | 4½ |
| Duties: 2½ % on goods sold by auction | 459 | 14 | 7½ | | | |
| | | | | 459 | 14 | 7½ |
| Rents: | | | | | | |
| On land for building | 12,388 | 9 | 2¾ | | | |
| — for cultivation and Chinese villages | 462 | 17 | 1½ | | | |
| Deposits by purchasers of Crown land | 72 | 8 | 1½ | | | |
| | | | | 12,823 | 14 | 5¾ |
| On Buildings | - | - | - | 547 | 4 | 5 |
| — Markets | - | - | - | 1,625 | - | 4 |
| — Stone quarries | - | - | - | 569 | 15 | 10 |
| — Fisheries | - | - | - | 6 | 13 | 4 |
| Licences: | | | | | | |
| For Opium farm | 4,118 | 15 | - | | | |
| — Salt broker | 569 | 15 | 10 | | | |
| — Retailing spirits and wines | 1,471 | 13 | 10½ | | | |
| — Auctioneers | 94 | - | 2 | | | |
| — Pawnbrokers | 718 | 19 | 3 | | | |
| — Serangs | 93 | 15 | - | | | |
| — Billiard tables | 35 | 18 | 4 | | | |
| | | | | 7,102 | 17 | 5½ |
| Fees of office for signatures, affixing public seals, &c. &c. | - | - | - | 643 | 4 | 9½ |
| Judicial fees of Supreme and Police Court | - | - | - | 920 | 16 | 6½ |
| — Fines - ditto - ditto | - | - | - | 560 | 18 | 9½ |
| Forfeitures | - | - | - | 18 | 16 | 5½ |
| Surcharges recovered | - | - | - | 12 | 11 | 4½ |
| Stores sold | - | - | - | 28 | 10 | 6½ |
| Advances recovered | - | - | - | 3 | 4 | 6 |
| Sailing letters and passes | - | - | - | 35 | 4 | 2 |
| Loss of exchange recovered from Her Majesty's consulates in China | - | - | - | 113 | 8 | 8¾ |
| TOTAL REVENUE during 1846, sterling | - | - | £. | 27,047 | - | 8½ |

Victoria, Hong Kong,
1 January 1847.

(signed) *W. T. Mercer,*
Acting Colonial Treasurer.

(True copy.)
(signed) *W. Caine,* Colonial Secretary.

Appendix, No. 1.

Expenditure of Hong Kong, 1846.

EXPENDITURE of the Colony of *Hong Kong*, during the Year 1846.

| | £. | s. | d. |
|---|---|---|---|
| Arrears of salaries | 393 | 1 | – |
| Salaries of 1846 | 28,753 | 3 | 6½ |
| Contingencies, wages, rents, &c. | 12,848 | 15 | 2½ |
| Special disbursements | 741 | 16 | 8 |
| Public works | 17,5 | 5 | 4 6½ |
| Advances | 39 | 8 | 9 |
| TOTAL, sterling £. | 60,351 | 9 | 8½ |

Sixty thousand Three hundred and Fifty-one pounds Nine shillings and Eight pence farthing sterling.

Colonial Treasury, Victoria, Hong Kong, 4 January 1847.

(signed) *W. T. Mercer*,
Acting Colonial Treasurer.

(True copy.)

(signed) *W. Caine*,
Colonial Secretary.

Estimate of the Revenue of Hong Kong, 1848.

ESTIMATE, by Sir *J. Davis*, of the REVENUE of *Hong Kong* for the Year ending 31st March 1848.

| | £. | s. | d. |
|---|---|---|---|
| Crown rents | 13,000 | – | – |
| Rent of paddy lands and Chinese dwellings | 400 | – | – |
| Deposits by purchasers of lands, and fees on leases | 400 | – | – |
| Rent of markets | 1,650 | – | – |
| Rent of Government buildings | 700 | – | – |
| Proceeds of auctions, 2½ per cent. | 500 | – | – |
| Licences, viz.: | | | |
| Opium farm | 3,900 | – | – |
| Retail of spirits | 1,500 | – | – |
| Stone quarries | 437 | – | – |
| Salt weighing | 833 | – | – |
| Auctioneers | 150 | – | – |
| Pawnbrokers | 750 | – | – |
| Fees | 1,200 | – | – |
| Sundries | 100 | – | – |
| Fines | 600 | – | – |
| Police assessment | 2,000 | – | – |
| Sailing letters and passes | 40 | – | – |
| £. | 28,160 | – | – |

(True copy.)

(signed) *W. Caine*,
Colonial Secretary.

Appendix, No. 1.

Estimate of Expenditure, 1847-48.

ESTIMATE, framed by Sir *J. Davis*, of the EXPENDITURE for the Year 1847-48.

| | SALARIES. | WAGES. | TOTAL. |
|---|---|---|---|
| | £. s. d. | £. s. d. | £. s. d. |
| Governor and chief superintendent of British trade | 6,000 – – | | |
| Aid-de-camp | 300 – – | | |
| | | – – – | 6,300 – – |
| Colonial Office: | | | |
| Colonial secretary and auditor-general | 1,800 – – | | |
| Chief clerk | 472 10 – | | |
| Second clerk | 270 – – | | |
| Third clerk | 243 – – | | |
| Fourth clerk | 216 – – | | |
| | | – – – | 3,001 10 – |
| Treasury: | | | |
| Colonial treasurer and collector | 900 – – | | |
| Chief clerk | 405 – – | | |
| Second clerk and accountant | 270 – – | | |
| Third clerk | 250 – – | | |
| | | – – – | 1,825 – – |
| Clerk to auditor-general | 250 – – | – – – | 250 – – |
| Clerk of councils | 100 – – | – – – | 100 – – |
| Ecclesiastical: | | | |
| Chaplain | 700 – – | | |
| Clerk to chaplain | 10 16 8 | | |
| | | – – – | 710 16 8 |
| Land Office: | | | |
| Surveyor-general | 800 – – | | |
| Clerk of works | 550 – – | | |
| Clerk of deed registry | 375 – – | | |
| Clerk | 250 – – | | |
| Clerk | 187 10 – | | |
| Overseer of roads | 187 10 – | | |
| Chinese clerk | – – – | 50 – – | |
| Overseer of convicts | – – – | 62 10 – | |
| Overseer of Coolies | – – – | 37 10 – | |
| Six Coolies | – – – | 75 – – | |
| Office Coolie | – – – | 15 – – | |
| Messenger | – – – | 15 – – | |
| | 2,350 – – | 255 – – | |
| Harbour Master: | | | 2,605 – – |
| Harbour master | 600 – – | | |
| Assistant harbour master | 300 – – | | |
| Clerk to harbour master | 150 – – | | |
| Interpreter | – – – | 37 10 – | |
| Five Lascars (boat's crew) | – – – | 150 – – | |
| Ten Chinese (boats' crews) | – – – | 195 – – | |
| One office Coolie | – – – | 15 – – | |
| One boy | – – – | 10 – – | |
| | 1,050 – – | 407 – – | |
| Gun Boat: | | | 1,457 10 – |
| One European gunner | – – – | 150 – – | |
| Five European seamen | – – – | 250 – – | |
| One Manilla tindal | – – – | 37 10 – | |
| Nineteen Manilla seamen | – – – | 570 – – | |
| | | | 1,007 10 – |

Appendix, No. 1

Estimate of Expenditure, 1847–48.

| | SALARIES. | WAGES. | TOTAL. |
|---|---|---|---|
| Judicial: | £. s. d. | £. s. d. | £. s. d. |
| Chief Justice | 3,000 – – | | |
| Attorney-general | 1,500 – – | | |
| Registrar | 750 – – | | |
| Deputy registrar | 350 – – | | |
| Interpreter of Chinese | 405 – – | | |
| Clerk to chief justice | 300 – – | | |
| Clerk to court | 300 – – | | |
| Interpreter of Malay, &c. | 50 – – | | |
| Chief usher | 150 – – | | |
| Bailiff | 62 10 – | | |
| Under-bailiff | 37 10 – | | |
| Mohammedan priest | 12 10 – | | |
| Three Coolies (messengers) | – – – | 45 – – | |
| | 6,917 10 – | 45 – – | 6,962 10 – |
| Registration: | | | |
| Registrar-general | 550 – – | | |
| Clerk | 200 – – | | |
| One Chinese clerk and translator | 62 10 – | | |
| One Chinese clerk | 37 10 – | | |
| | | – – – | 850 – – |
| Police: | | | |
| Chief magistrate | 1,000 – – | | |
| Assistant magistrate | 500 – – | | |
| Interpreter | 312 10 – | | |
| Chief clerk | 250 – – | | |
| Clerk | 137 10 – | | |
| Clerk and assistant interpreter | 100 – – | | |
| Chinese clerk | – – – | 50 – – | |
| Gaoler | – – – | 175 – – | |
| Assistant gaoler | – – – | 50 – – | |
| Turnkey | – – – | 37 10 – | |
| Executioner | – – – | 25 – – | |
| Mohammedan priest | – – – | 12 10 – | |
| Compradore | – – – | 37 10 – | |
| Four Coolies | – – – | 60 – – | |
| Clerk to marine magistrate | 150 – – | | |
| Superintendent of police | 500 – – | | |
| Assistant superintendent | 125 – – | | |
| One inspector | 250 – – | | |
| Two deputy inspectors | 80 – – | | |
| Informer | 36 – – | | |
| Six European sergeants | – – – | 300 – – | |
| Eight European acting sergeants | – – – | 320 – – | |
| Forty-four European constables | – – – | 1,540 – – | |
| One Indian sergeant | – – – | 40 – – | |
| Six Indian acting sergeants | – – – | 180 – – | |
| Seventy constables | – – – | 1,575 – – | |
| Two Chinese sergeants | – – – | 50 – – | |
| Four Chinese acting sergeants | – – – | 80 – – | |
| Twenty Chinese constables | – – – | 300 – – | |
| Two station Coolies | – – – | 20 – – | |
| Three horse Coolies | – – – | 40 – – | |
| | 3,441 – – | 4,892 10 – | 8,333 10 – |

Appendix, No. 1.

Estimate of Expenditure, 1847–48.

| | SALARIES. | WAGES. | TOTAL. |
|---|---|---|---|
| Medical: | £. s. d. | £. s. d. | £. s. d. |
| Colonial surgeon | 500 – – | — | |
| Sexton | – – – | 60 – – | |
| Two burial-ground keepers | – – – | 30 – – | |
| One messenger | – – – | 12 10 – | |
| | 500 – – | 102 10 – | 602 10 – |
| General Department: | | | |
| Compradore | – – – | 32 10 – | |
| Shroff | – – – | 12 5 – | |
| Porter | – – – | 20 – – | |
| Gardener | – – – | 15 – – | |
| Four messengers | – – – | 60 – – | |
| Scavenger | – – – | 15 – – | |
| | | | 167 10 – |
| £. | 27,295 16 8 | 6,877 10 – | 34,173 6 8 |
| Rations for the European police | | £. 950 – – | |
| Rent of police stations | | 208 6 8 | |
| Medicines for police, prisoners, &c. | | 140 – – | |
| | | | 1,298 6 8 |
| Maintenance of prisoners | | – – – | 840 – – |
| Rent for the Governor's residence | | 625 – – | |
| Ditto – Supreme Court | | 375 – – | |
| | | | 1,000 – – |
| Horse allowance to the clerk of works | | 25 – – | |
| Ditto – ditto – overseer of roads | | 25 – – | |
| Allowance to the assistant magistrate | | 62 10 – | |
| | | | 112 10 – |
| Ordinary Contingencies of Departments, viz.: | | | |
| Printing, stationery, maintenance of horses in the police force, &c. &c. | | | 1,338 6 8 |
| Maintenance of an orphan | | | 7 10 – |
| Transportation of convicts | | | 600 – – |
| £. | | | 39,370 – – |

TOTAL Estimated Amount of Public Works sanctioned:

| | £. |
|---|---|
| Office buildings commenced under Ordnance department | 14,300 |
| Two-thirds of estimated cost of church | 4,700 |
| Other works in progress, or sanctioned | 21,000 |
| £. | 40,000 |

(signed) *W. T. Mercer,*
Acting Colonial Treasurer.

(True copy.)

(signed) *W. Caine,*
Colonial Secretary.

## CIVIL ESTABLISHMENT of the Island of *Hong Kong*, for the Year 1847–48, as submitted to the House of Commons on 31st March 1847.

| | £. | s. | d. | £. | s. | d. |
|---|---|---|---|---|---|---|
| **Governor and Superintendent's Department:** | | | | | | |
| Governor and superintendent of British trade in China | 6,000 | – | – | | | |
| Private secretary and aide-de-camp | 300 | – | – | | | |
| | | | | 6,300 | – | – |
| **Colonial Secretary and Auditor General's Department:** | | | | | | |
| Colonial secretary and auditor-general | 1,800 | – | – | | | |
| Chief clerk | 472 | 10 | – | | | |
| Second clerk | 270 | – | – | | | |
| Third clerk | 243 | – | – | | | |
| Fourth clerk | 216 | – | – | | | |
| Audit clerk | 250 | – | – | | | |
| | | | | 3,251 | 10 | – |
| **Colonial Treasurer's Department:** | | | | | | |
| Colonial treasurer and collector of revenue | 900 | – | – | | | |
| Chief clerk | 405 | – | – | | | |
| Clerk | 270 | – | – | | | |
| Ditto and accountant | 250 | – | – | | | |
| | | | | 1,825 | – | – |
| **Council Office:** | | | | | | |
| Clerk of council | | | | 100 | – | – |
| **Ecclesiastical Establishment:** | | | | | | |
| Colonial chaplain | 700 | – | – | | | |
| Clerk | 10 | 16 | 8 | | | |
| Burial-ground keepers, 2 | 30 | – | – | | | |
| Sexton | 60 | – | – | | | |
| | | | | 800 | 16 | 8 |
| **Surveyor General and Civil Engineer's Department:** | | | | | | |
| Surveyor-general | 800 | – | – | | | |
| Clerk of works and civil engineer | 550 | – | – | | | |
| Clerk of deed registry and keeper of leases and records | 375 | – | – | | | |
| Accountant | 250 | – | – | | | |
| Clerk | 187 | 10 | – | | | |
| Chinese clerk | 50 | – | – | | | |
| Overseer of roads and superintendent of convict labour | 187 | – | – | | | |
| Overseer of convicts | 62 | 10 | – | | | |
| Ditto – coolies | 37 | 10 | – | | | |
| Coolies and chair bearers, 6 | 75 | – | – | | | |
| Office coolie, messenger | 30 | – | – | | | |
| | | | | 2,605 | – | – |
| **Registrar General's Department:** | | | | | | |
| Registrar-general | 625 | – | – | | | |
| Clerk | 200 | – | – | | | |
| First Chinese clerk | 50 | – | – | | | |
| Second ditto | 37 | – | – | | | |
| | | | | 912 | 10 | – |
| **Harbour Master and Marine Magistrate's Department:** | | | | | | |
| Harbour master and marine magistrate | 600 | – | – | | | |
| Assistant harbour master | 300 | – | – | | | |
| Clerk to harbour master | 150 | – | – | | | |
| Clerk to marine magistrate | 150 | – | – | | | |
| Interpreter of Hindoostanee | 37 | – | – | | | |
| Office coolie | 15 | – | – | | | |
| | | | | 1,252 | 10 | – |
| Lascar boatmen, 5 at 30 *l.* each | 150 | – | – | | | |
| Chinese ditto 10 at 20 *l* „ | 200 | – | – | | | |
| Chinese boy | 10 | – | – | | | |
| | | | | 360 | – | – |
| **Gun Boat for 12 Months, from 1st June 1846; viz.:** | | | | | | |
| European gunner in charge | 150 | – | – | | | |
| Ditto – seamen, 5 at 50 *l.* per ann. each | 250 | – | – | | | |
| Malay tindal | 37 | 10 | – | | | |
| Seamen, 19 at 30 *l.* per ann. each | 570 | – | – | | | |
| | | | | 1,007 | 10 | – |
| | | | | 2,620 | – | – |



(*continued*)

Appendix, No. 1.

Civil Establishment of Hong Kong, 1847–48.

| | £. | s. | d. | £. | s. | d. |
|---|---|---|---|---|---|---|
| **Judicial Department:** | | | | | | |
| Chief justice | 3,000 | – | – | | | |
| Clerk to ditto | 300 | – | – | | | |
| Attorney-general | 1,500 | – | – | | | |
| Registrar to Supreme Court | 750 | – | – | | | |
| Deputy ditto - ditto | 350 | – | – | | | |
| Clerk to ditto | 300 | – | – | | | |
| Interpreter to ditto | 405 | – | – | | | |
| Interpreter of Malay and Hindoostanee | 50 | – | – | | | |
| Chief usher to Supreme Court | 150 | – | – | | | |
| Bailiff - - - ditto | 62 | 10 | – | | | |
| Under ditto - ditto | 37 | 10 | – | | | |
| Mahomedan priest, for swearing witnesses | 12 | 10 | – | | | |
| Coolies, as messengers, 3 | 37 | – | – | | | |
| | | | | 6,955 | – | – |
| **Chief Police Magistrate's Department:** | | | | | | |
| Chief police magistrate | 1,000 | – | – | | | |
| Assistant ditto | 500 | – | – | | | |
| Interpreter of Chinese and Malay | 312 | 10 | – | | | |
| Second ditto, Hindoostanee | 100 | – | – | | | |
| Chief clerk | 250 | – | – | | | |
| Second ditto | 93 | 15 | – | | | |
| Chinese ditto | 50 | – | – | | | |
| Compradore | 37 | 10 | – | | | |
| Coolies, 4 at 15*l.* per annum each | 60 | – | – | | | |
| Mahomedan priest, &c. | 12 | 10 | – | | | |
| | | | | 2,416 | 5 | – |
| **Police Department:** | £. | s. | d. | | | |
| Superintendent of police | 500 | – | – | | | |
| Assistant ditto | 125 | – | – | | | |
| Inspector of police | 250 | – | – | | | |
| Deputy inspectors, 2 at 40*l.* per ann. each | 80 | – | – | | | |
| Chinese inspector | 36 | – | – | | | |
| | | | | 991 | – | – |
| European Police: | | | | | | |
| Sergeants, 6 at 50*l.* per annum each | 300 | – | – | | | |
| Acting ditto, 8 at 40*l.* „ „ | 320 | – | – | | | |
| Constables, 50 at 35*l.* „ „ | 1,750 | – | – | | | |
| | | | | 2,370 | – | – |
| Indian Police: | | | | | | |
| Sergeant | 40 | – | – | | | |
| Acting ditto, 6 at 30*l.* per annum each | 180 | – | – | | | |
| Constables, 60 at 22*l.* 10*s.* „ „ | 1,350 | – | – | | | |
| Station coolie | 15 | – | – | | | |
| Horse coolies, 3 | 40 | – | – | | | |
| | | | | 1,625 | – | – |
| Chinese Police: | | | | | | |
| Sergeants, 2 at 25*l.* per annum each | 50 | – | – | | | |
| Acting ditto, 4 at 20*l.* „ „ | 80 | – | – | | | |
| Constables, 18 at 15*l.* „ „ | 270 | – | – | | | |
| | | | | 400 | – | – |
| Rations for police force | | | | 1,100 | – | – |
| | | | | 6,486 | – | – |
| **Gaols and Convicts:** | | | | | | |
| Gaoler | | | | 125 | – | – |
| Assistant ditto | | | | 50 | – | – |
| Turnkey | | | | 37 | 10 | – |
| Executioner | | | | 25 | – | – |
| Maintenance of prisoners and convicts | | | | 800 | – | – |
| Conveyance of convicts (condemned for transportation) | | | | 400 | – | – |
| | | | | 1,437 | 10 | – |
| **Medical Department:** | | | | | | |
| Colonial surgeon | | | | 500 | – | – |
| Messenger | | | | 12 | 10 | – |
| | | | | 512 | 10 | – |
| Contingent expenses and public works | | | | 22,777 | 18 | 4 |
| | | | | £. | | |
| Deduct local revenue | | | | 59,000 | – | – |
| | | | | 28,000 | – | – |
| Proposed vote by Parliament | | | | £. 31,000 | – | – |

Colonial Office, March 1847.

## CONSULAR ESTABLISHMENT IN CHINA.

| | £. s. d. | £. s. d. |
|---|---|---|
| Hong Kong: | | |
| The salary of chief superintendent is included in that of Governor. | | |
| Secretary and registrar | 1,500 – – | |
| Chief assistant and keeper of records | 472 10 – | |
| Second assistant | 324 – – | |
| Third ditto | 270 – – | |
| Chinese secretary | 1,200 – – | |
| Assistant ditto | 400 – – | |
| Four Chinese writers | 150 – – | |
| | | 4,316 10 – |
| Consulate at Canton: | | |
| Consul | 1,800 – – | |
| Vice-consul | 750 – – | |
| Interpreter | 700 – – | |
| First assistant | 405 – – | |
| Second ditto | 324 – – | |
| Three Chinese writers | 150 – – | |
| Consular agent at Whampoa | 500 – – | |
| | | 4,629 – – |
| Consulate at Amoy: | | |
| Consul | 1,200 – – | |
| Vice-consul | 750 – – | |
| Interpreter | 500 – – | |
| First assistant | 405 – – | |
| Second ditto | 270 – – | |
| Ditto, additional allowance as surgeon | 230 – – | |
| Two Chinese writers | 100 – – | |
| | | 3,455 – – |
| Consulate at Foo-chow-foo: | | |
| Consul | 1,200 – – | |
| Interpreter | 500 – – | |
| First assistant | 405 – – | |
| Second ditto | 270 – – | |
| Two Chinese writers | 75 – – | |
| | | 2,450 – – |
| Consulate at Ningpo: | | |
| Consul | 1,200 – – | |
| Interpreter | 500 – – | |
| First assistant | 405 – – | |
| Second ditto | 270 – – | |
| Two Chinese writers | 57 10 – | |
| | | 2,462 10 – |
| Consulate at Shang-hai: | | |
| Consul | 1,500 – – | |
| Vice-consul | 750 – – | |
| Interpreter | 800 – – | |
| First assistant | 405 – – | |
| Ditto, additional allowance as surgeon | 95 – – | |
| Second assistant | 270 – – | |
| Third ditto | 162 10 – | |
| Four Chinese writers | 130 – – | |
| | | 4,112 10 – |
| TOTAL Salaries for one year, ending 31 March 1848 | | 21,425 10 – |
| Contingent Expenses – ditto – ditto | | 5,000 – – |
| Compensation to Dr. Colledge, late surgeon at Canton | 400 – – | |
| Compensation to Mr. Elmslie, late secretary and treasurer in the Superintendency | 200 – – | |
| | | 600 – – |
| | £. | 27,025 10 – |

Foreign Office, 25 March 1847. (signed) *Geo. L. Conyngham.*

## Appendix, No. 2.

Appendix, No. 2.

Consumption of Tea.

PAPERS delivered in by *Wm. Norton*, Esq. and referred to in his Evidence, on 15 April 1847.

It is believed that these Papers demonstrate generally, from documents and facts upon which the greatest reliance may be placed:—

(In No. 1.) That an enormous increase in consumption may be expected, if brought within the means of the great mass of the population, from the very large annual consumption of private families of the middle class who are in competence, even under the present duty (say 13 lbs. per head); and the proof, that even in extreme poverty, tea and dry bread is frequently the only sustenance of the poor.

(In No. 2.) That the consumption has varied throughout in extreme degrees, in correspondence with the more or less pressure of the price and duty.

(In No. 3.) That the supply of tea from China has ever been, and will most probably be, limited only by the extent of the demand.

(In No. 4.) That assuming the extremely probable increase of consumption in the first year to 80,000,000 lbs., the deficiency in the revenue would be very trifling, and that the revenue would at an early period be much improved.

(And in No. 5.) To the incalculable benefit of the consumers, manufacturing interest, and shipping.

(No. 1.)

POPULATION; and CONSUMPTION of TEA.

| | | POPULATION. | CONSUMPTION. | RATE PER HEAD. |
|---|---|---|---|---|
| | | | *Lbs.* | |
| In 1801 - - | Great Britain - - | 10,942,646 | 23,271,790 | Uncertain what proportion of consumption was in Ireland. |
| 1811 - - | - ditto - - - | 12,596,803 | 22,454,532 | |
| 1821 - - | - ditto - - - | 14,391,631 | 26,754,537 | 1 ½ lb. per annum. |
| | Ireland - - - | 6,801,827 | | |
| 1831 - - | Great Britain - - | 16,539,318 | 29,997,055 | About 1 ¼ lb. per annum. |
| | Ireland - - - | 7,767,401 | | |
| 1841 - - | Great Britain - - | 18,720,394 | 36,675,677 | 1 ⅝ lb. per annum. |
| | Ireland - - - | 8,196,597 | | |
| 1846 - - | United Kingdom (suppose) | 29,000,000 | 47,534,000 | 1 ⅝ lb. per annum. |

It will be seen, that from 1831 to 1841, there was only a rise in consumption of ⅛ of a pound per head of population, owing to the high prices of the war still prevailing; from 1841 to 1846, the consumption has increased ¼ of a pound per head, principally arising from the reduction in the import price to a point which is ruinous to the trade, and notwithstanding the enormous duty levied. A strong inference may be drawn as to the large increase of consumption which would be likely to follow a reduction of the price of tea to two-thirds its present cost.

In private families, whose expenses are based on competence, the consumption of tea is 12 to 13 lbs. per head. Domestic servants in such families, when allowed tea, have usually ¼ of a lb. per week, or 13 lbs. per annum.

Within

Within a few months two coroners' inquests were held on two poor women starved to death, not known to each other. They were both proved to have lived for the last fortnight on a little tea and dry bread. Of the few pence expended on tea, two-thirds went in the duty.

(No. 2.)

Varying Consumption of Tea according to Duty and Price.

| | | Duty. | Consumption. | |
|---|---|---|---|---|
| | | | *Lbs.* | |
| In - - - | 1782 | £. 55. 15*s.* 10*d.* p' cent. and 1/1⅕. | 6,202,257 | |
| | 1783 | Ditto - - - - | 4,741,522 | |
| | 1784 | £. 12. 10*s.* p' cent. only - | 10,150,700 | Increase 113½ p' cent. |
| | 1785 | Ditto - - - - | 14,800,932 | „ 46 p' cent. |
| | 1786 | Ditto - - - - | 15,851,747 | „ 7 p' cent. |
| | 1795 | 20 p' cent. - - - | 21,342,845 | Total increase in 12 years, 350 p' cent. |
| | 1801 | 50 p' cent. 2/6; 20 p' cent. under. | 23,730,150 | |
| Large profit of East India Company, and high *ad valorem* duty | 1803 | 95 p' cent. „ ; 65 p' cent. under. | 24,877,450 | Increase in eight years, 16½ p' cent. |
| | 1821 | 100 p' cent. „ ; 96 p' cent. under. | 26,754,537 | In 18 years, 7½ p' cent. |
| | 1833 | Ditto - - - - | 31,829,620 | In 12 years, 19 p' cent. |
| In - - - | 1834 | 2/2 p' lb. congou, 1/6 p' lb. bohea; in 1836, all sorts 2/2½. | 34,969,631 | In 1834 began free trade. No artificial profits, and reduction in price of tea of fully 1/6 to 2/ per lb. consequent. |
| | 1844 | - - - - - | 41,363,770 | |
| | 1846 | - - - - - | 47,534,977 | Increase in 12 years, 35 p' cent. |

It will be seen that from 1784 to 1795 inclusive, 12 years, the consumption of tea increased 350 p' cent.!! and although, no doubt, the extremely low duty suppressed a great deal of smuggling, the increase in consumption must have been very large, owing to its great reduction in price.

The duty in 1795 was 20 p' cent.; 1797, 30 p' cent.; 1798, 35 p' cent.; 1800, 40 p' cent.; 1801, 50 p' cent. above 2*s.* 6*d.*; and the increased consumption in eight years, from 1795 to 1803, was only 16½ p' cent.

In 1803 the duty was raised to 95 p' cent. 2*s.* 6*d.*, and 65 p' cent. under 2*s.* 6*d.* to 1806; 96 p' cent. to 1818, and 100 p' cent. to 1821; and the consumption increased in 18 years only 7½ p' cent., while the increase in the population during the same period was 27 p' cent.; consequently the high price of tea absolutely diminished greatly the consumption.

Can proof be carried further of the extreme susceptibility to price, of the consumption of tea? If so, it will be found in the fact that from 1834 to 1846, in 12 years, under the modified price consequent on free trade, and notwithstanding the extremely oppressive duty, the consumption has again started forward, and is now increased 35 p' cent. up to the end of 1846.

It may be said that in the population of 1783, a large portion knew nothing of tea until introduced to them by a remarkable reduction in price. True!

Equally it may be said that a large proportion of our present population does not consume tea, and would be induced to consume it, were 4*s.* congou reduced to 2*s.* 6*d.* per lb.

All the present comparative circumstances of the country, free intercommunication of its population, general employment, increased sobriety, extending education and morality, "tea-totalism," &c. are in favour of the assumption that low prices would induce very general consumption; and a reduction of 1*s.* 6*d.* from 4*s.* per lb. would be infinitely more attractive to the bulk of the people, than was the decline from 6*s.* and 7*s.* down to 4*s.* and 5*s.*

Appendix, No. 2.

Consumption of Tea.

(No. 3.)

TEA.—Probability of Increased Supply.

| | | PRICES IN CHINA. |
|---|---|---|
| | *lbs.* | |
| Export from China to United Kingdom, ending 30 March 1834 - | 30,224,904 | — |
| Ditto, from 23 April 1834 to 30 March 1836 - - - - - | 94,129,480 | Season 1835–36: Fuk. Bohea, 14 *ts.*; Campoi and Congou, 18 *ts.* 34 *m.* |
| Equal to per annum - - | 47,064,740 | Increased supply 57 per cent. |
| Ditto from 1 July 1836 to 30 June 1842. | - - In these six years, owing to the disputes with China, the exports were extremely irregular; but the whole for the six years was 209,171,099 *lbs.*; averaging 34,861,847 *lbs.* | — |
| | | Uncertain: *ts.* *m.* |
| „ 1 July 1842 to 30 June 1843 - | 47,855,312 | 1842. Oct. to Dec. Congou 14 30 |
| „ 1 July 1843 to 30 June 1844 - | 50,241,428 | 1843. Oct. to Dec. „ 16 33 |
| „ 1 July 1844 to 30 June 1845 - | 53,959,618 | 1844. Jan. to Mar. „ 13 36 |
| „ 1 July 1845 to 30 June 1846 - | 57,584,561 | Oct. '45 to Mar. '46 „ 16 36 |
| | | — A very few chops - 40 0 |
| This season's exports expected to be equal to last. | | October 1846 quotation, 16 *ts.* 34 *m.* |

*Mem.*—The latest advices from China have quoted a very considerable decline in the price of teas.

Tea is grown largely near Canton, in 23° N.; Fukkein, in 27° N.; and above Nankin, in about 32° N., along the course of the Yang-tse Keang river, whence the best teas are procured. Tea is also grown some degrees further north.

The late Sir George Staunton remarks, in his account of Lord Macartney's embassy, "Such immense quantities of tea are raised in China that a sudden failing of the demand from Europe would not be likely to cause any material reduction in price in the China markets." And it is seen that, under all fluctuations of supply to us, the price in China has remained nearly the same, while the supply has ever been more than commensurate to our extreme wants.

(No. 4.)

ASSUMED effect on REVENUE by Alteration of the Duty on TEA, from 2*s.* 2½*d.* to 1 *s.* per lb.

Price of common congou, retail, is - - - - - - - 4*s.* per lb.

| | *s.* | *d.* | |
|---|---|---|---|
| First cost - - - - - - - | – | 10 | per lb. |
| Duty - - - - - - - - | 2 | 2½ | „ |
| Assumed profit, wholesale - - - | – | 2 | „ |
| Ditto - - - retail, 25 per cent. as cash | – | 10 | „ - 4*s.* per lb. |

If duty were reduced; price - - - - - - - - 2*s.* 6*d.* per lb.

| | *s.* | *d.* | |
|---|---|---|---|
| First cost - - - - - - - | – | 10 | per lb. |
| Duty - - - - - - - - | 1 | – | „ |
| Assumed profit, wholesale - - - | – | 2 | „ |
| Ditto - - - retail, 25 per cent. as cash | – | 6 | „ - 2*s.* 6*d.* per lb. |

Or 2*d.* per oz. instead of 3*d.*

Thus 33⅓ p' cent. of the present expenditure in tea would be saved, and applicable among the economical classes, greatly to the increase of the strength of the tea which they drink, and which is now in most cases, with the poor, mere water spoiled.

Suppose the consumption increased in the second year to 80,000,000 lbs. (and it is probable that it would be so even in the first), the calculation with the revenue would stand thus:

| | | £. | *s.* | *d.* |
|---|---|---|---|---|
| The present consumption of 45,000,000 lbs. at 2*s.* 2½*d.* per lb. - | | 4,921,875 | – | – |
| Would become 80,000,000 lbs. at 1*s.* - - - - - - £. | 4,000,000 | | | |
| Add 3 lbs. sugar per lb. increase of tea, 46,875 tons at 21*l.* per ton - - - - - - - - - - - - - - - | 984,375 | 4,984,375 | – | – |
| Causing an increase - - - £. | | 62,500 | – | – |

(No. 5.)

Appendix, No. 2.

Consumption of Tea.

PRESENT State of the Export of Cotton Manufactures to *China* (the Woollen is as bad,) and probable Effect of Reduction of Duty on Tea to 1 *s.* per lb.

| | *Yards.* |
|---|---|
| Cotton Shirtings shipped from Liverpool, 1845 - - - - | 112,372,365 |
| Ditto - - ditto - - ditto - - 1846 - - - - | 76,188,949 |

The decrease has been created by the heavy losses sustained by the trade, in the sales in China, and of the returns, chiefly tea, in the United Kingdom, the sole cause for which is the want of sufficiently increased consumption of tea.

It is probable, should the present duty be continued, that further large and rapid diminution of our exports must take place; and it appears almost certain that a very marked falling off in the importation of tea must follow, if the present state of the trade continue; thence a rise in price here, checked consumption, declining revenue, &c.

If, by lowering the duty to 1 *s.* per lb., the consumption should be carried to 80,000,000 lbs. in the first year, the effect would be important in cotton manufactures, the portion susceptible of indefinite increase.

Thirty-five millions of pounds tea, at an average cost in China of 10 *d.*, 1,458,333 *l.* 4 *s.* in payment for cotton shirtings at 8 *s.* for 40 yards, would take off 145,833,320 yards, or an *increase* of nearly double the whole export of these goods in 1846.

There would also be an additional employment of shipping to the extent of 35,000 tons.

## Appendix, No. 3.

Appendix, No. 3.

Report on the Island of Hong Kong.

PAPERS delivered in by *R. Montgomery Martin*, Esq., and referred to in his Evidence on 18 May 1847.

REPORT on the Island of *Hong Kong*, by *R. Montgomery Martin*, Her Majesty's Treasurer for the Colonial and Consular Service in *China*, and a Member of Her Majesty's Council at *Hong Kong*. Transmitted to Governor *Davis* for Lord *Stanley*, 24 July 1844.

*Locality*.—Hong Kong, which in the Chinese language signifies Red Harbour, or Flowing Streams, is in north latitude 22° 16 27″, east longitude 114° 14′ 48″, distant about 40 miles east from Macao. It forms one of a numerous but scattered group of lofty islands termed the "Ladrones," which vary in size and height, but agree in their arid and rugged features. The length of the island from east to west is about eight miles, with a breadth of two to four miles; it is separated from the main land of China by a strait or inlet of the sea, varying in breadth from half a mile to three miles; one entrance, the Lymoon Pass, being only about a quarter of a mile wide.

*Physical Aspect*.—The island consists of a broken ridge or "hog's back" of mountainous hills running from W.N.W. to E.S.E. at an average height of about 1,000 feet; but from this ridge and its spurs various conical mountains are elevated to the height of 1,500 to 2,000 feet above the sea, and very precipitous. The whole island indeed rises abruptly from the ocean, particularly on the north face. There are a few narrow vallies and deep ravines through which the sea occasionally bursts, or which serve as conduits for the mountain torrents; but on the north side of the island, especially where the town of Victoria is built, the rocky ridge approaches close to the sea, and it was only by hewing through this ridge that a street or road could be made to connect the straggling town of Victoria, which stretches along the water edge for nearly four miles, although only comprising about 60 European houses and several Chinese huts and bazaars. Here and there, on the tops of some isolated hills or along the precipitous slopes of the mountains, some houses have been constructed, but the rugged, broken, and abrupt precipices and deep rocky ravines will ever effectually prevent the formation at Victoria of any concentrated town adapted for mutual protection, cleanliness, and comfort. Hong Kong cannot be said to possess any vegetation; a few goats with difficulty find pasturage. After the heavy rains of May, June, July, and August, the hills assume somewhat of a greenish hue, like a decayed Stilton cheese; but the whitey-brown or red-streaked ridges, with the scattered masses of black rocks, give a most uninviting and desolate aspect to the island, which is unrelieved by the adjacent main land, whose physical features are precisely similar to that of Hong Kong, the mountains' tops and sides presenting in many places the appearance of a negro streaked with leprosy.

*Geology*.—There is no igneous formation in Hong Kong; the island partakes of the same geological character as the whole south coast of China, excepting that it seems of older formation. The structure may be briefly described as consisting of decomposed coarse granite intermixed with strata of a red disintegrating sandstone crumbling into a stiff ferruginous-looking clay. Here and there huge boulder-stones, which gunpowder will not blast, may be seen imbedded in a stiff pudding earth, or they are strewed over the tops and sides of the mountains. Gneiss and felspar are found in fragments. That the granite is rotten, and passing like dead animal and vegetable substances into a putrescent state, is evidenced from

the crumbling of the apparently solid rock beneath the touch, and from the noxious vapour or nitrogen which it yields when the sun strikes fervidly on it after rain. On examining the sites of houses in Victoria whose foundations were being excavated in the sides of the hills, the strata appeared like a richly prepared compost, emitting a fetid odour of the most sickening nature, and which at night must prove a deadly poison. This strata quickly absorbs any quantity of rain, which it returns to the surface in the nature of a pestiferous mineral gas. The position of the town of Victoria, which may be likened to the bottom of a crater with a lake, prevents the dissipation of this gas, while the geological formation favours the retention of a morbific poison on the surface, to be occasionally called into deadly activity. There is no extent of marsh on the island capable of generating miasm, but the heavy rains are annually washing large portions of the mountains through deep ravines into the bay, and thus continually exposing a fresh rotten surface to the sun's rays, and preserving a focus of disease which will finally become endemic. Vast quantities of the silt from the hills are being deposited along the shores of the harbour; owing to this circumstance, and to the rapid receding of the tides from this coast, the bay is becoming shoaler every day; the average depth is only four to five fathoms, except in the stream, where there is six to seven fathoms. In no great interval of time the harbour of Hong Kong will be too shoal in many places for large vessels.

*Climate.*—It is difficult to convey by thermometrical registers an accurate idea of the climate of any place. The range of the thermometer will not indicate the pressure of the atmosphere; the barometer in or near the tropics is of little utility as an index; the hygrometer imperfectly shows the quantity of rain which is in solution; while the height of the surrounding land, its configuration, the nature of the soil, the extent and quality of the vegetation, the exposure to the sea, and the prevailing winds, all influence what is comprised under the word "Climate." In some respects the whole coast of China partakes of the climatic characteristics of the opposite cost of the American continents, particularly as regards the extremes of temperature, and its depressing influence on mental or bodily exertion.

For six months in the year, April to September, the heat varies from 80° to 90° F.; but occasionally during the other six months the heat is also very great, the thermometer having been known to stand at 80° F. on Christmas-day. The island being on the verge of the tropics, is subject to the extremes of the torrid and temperate zones. Even on the same day the range of mercury in the thermometer is very great, and the vicissitudes are exceedingly trying to the European constitution.

But neither the range from heat to cold, nor the quantity of moisture in the atmosphere, will adequately convey an idea of the effects that this climate is capable of producing on the human frame.

During April and part of May, when the sun is approaching rapidly from the Equator, there is a dry, burning heat, with a cloudless sky; but towards the end of May, and throughout June, July, August, and part of September, the rain descends in torrents, with a force and continuance, such as I have never seen in India, Africa, Australasia, or any other part of the world. The clouds pour down one vast sheet of water, washing away hills and rocks, surrounding the island with deep ravines, and saturating the soft, porous, putrescent strata, to the extent of many feet, with daily renewed moisture. In the intervals of rain a nearly vertical sun acts with an intense evaporating power, and a noxious steam or vapour rises from the fetid soil, yielding a gas of a most sickly and deleterious nature, exactly such as I experienced on the coast of Africa in 1824, when I was seized with an "earth fever," while in H. M. service, from the effects of which I, with great difficulty, recovered, but of which most of my brother officers perished. This morbific gas does not arise from vegetable or animal decomposition. There is none on the island of any extent. But decomposed mineral substances yield an aëriform poison, under some circumstances of a more deadly nature than either of the other kingdoms of nature. This gas does not rise more than a few feet from the earth; it slowly mingles with the surrounding atmosphere, and when not causing immediate illness produces a depressing effect on mind and body, which undermines and destroys the strongest constitutions.

Military and naval men who have served in Africa and India feel the effects of the sun in Hong Kong in a manner never before experienced. Even at Macao, only 40 miles west of Hong Kong, Europeans may walk about the whole day in the month of July, when to do so at Hong Kong would be attended with almost certain death. Neither the Indian Seapoys, Malays, nor Chinese can endure the climate so well as Europeans, whose stamina they do not possess. The Chinese deem it a dangerous experiment to prolong their abode in the island beyond a certain time. They have ever viewed Hong Kong as injurious to health and fatal to life. The Europeans who survive a brief residence in this climate, generally get a lassitude of frame, and an irritability of fibre, which destroys the spring of existence. A malign influence operates on the system in a most distressing manner, which is not removed by a return to Europe; on the contrary, the sufferers frequently die in England soon after their arrival.

*Diseases and Mortality.*—The prevailing disease of Hong Kong is a fever combining the character of the African and West India fevers. It was at first supposed to be epidemic, but it has now become endemic, and may be assumed to be the fixed malady of the island. Diarrhœa and dysentery form the next most immediately fatal class of diseases; but intermittent fever or ague destroys health gradually. Last year the strength per annum of European and native troops was 1,526, and the number who passed through the hospital in the year amounted to 7,893; thus on an average, each man went through the hospital more than five times in the year. Of the diseases with which they were afflicted, 4,069 were fevers, 762 diarrhœas, 497 dysenteries, and 180 were pulmonic complaints. The total

number

number of deaths, out of 1,526 men, was 440, or 1 in 3½. The fatal fever cases were 155; ditto, diarrhœa, 80; ditto, dysentery, 137. The destruction of life since our occupation of Hong Kong has been enormous. Last year the deaths among the troops in the island amounted to 1 in 3½; at Chusan, to 1 in 29½; and at Koolungsoo, to 1 in 12½. Her Majesty's 98th Regiment lost at Hong Kong, in 21 months, 257 men by death. But in this and other regiments, it is not merely the deaths which indicate disease and a pernicious climate; it is the great number of men invalided, and constantly unfit for duty. One half the men of a company are frequently unable to attend the parade; out of 100 men there are sometimes not more than five or six men fit for duty.

The Royal Artillery, the finest military corps in the world, out of 135 men and officers lost in two years, 51 by death (of whom 35 died at Hong Kong during the last six months of 1843), and 45 by invaliding. That Hong Kong was the cause of their death will be seen from the fact, that Colonel Knowles's detachment of the Royal Artillery went through the whole of the war at Canton and at the Yang-tzi-kang river; the detachment was out here three years; it never landed at Hong Kong. One man was killed, another died of dropsy; but the whole of the remainder of the detachment returned to England, except the commanding officer, Lieutenant-colonel Knowles, who landed at Hong Kong, and died of fever.

The officers of the Royal Artillery died in the same proportion as the men; out of nine officers who came out with the original detachment, but one escaped disease or death.

Last year there were severe losses in the ships of war. Her Majesty's ship "Agincourt" lost, during the sickly season of 1843, 60 men, of whom 20 were marines; 40 men were invalided home, of whom few would recover. Since leaving England in May 1842, the "Agincourt" has been obliged to enter 160 seamen from merchant ships. The cause assigned for the severe illness of the marines and seamen of last year was the being obliged to land guards to protect stores at West Point. This year the "Agincourt" sends no men on shore or on night duty; and out of 600 men, there are only 23, including slight hurts, in the sick list. This fact tests the insalubrity of the shore.

The deaths in the naval force at Hong Kong and Whampoa, for the six sickly months ending October 1843, were 4½ per cent.; while for the same period on shore, the deaths among the troops averaged 24 per cent.; and even among the European civilians, the estimate was 10 per cent. In May 1843, the left wing of Her Majesty's 55th Regiment had 16 officers and 491 men in Hong Kong. From thence to November, two officers and 218 men died; and the lives of the remainder were only saved by the prompt, judicious, and humane conduct of General D'Aguilar, in immediately embarking the men for England.

The mortality as yet (July 17), during the present year has not been so great; but sickness is equally destructive of the efficiency of the troops. Chuck Chew, on the south side of Hong Kong, it was hoped, would be a healthy station. On 30 June 1844, out of 400 men of Her Majesty's 98th, at Chuck Chew, there were 109 in hospital; out of 80 Lascars at the same station, there were 30 in hospital.

It was supposed that Saiwan, on the south-east side of Hong Kong, would afford a healthy station for the troops. Government expended about 30,000 dollars in preparing and building a fine set of barracks of two stories, with every view to comfort and health. The officer of the Royal Engineers having reported the barracks habitable, the general commanding sent a Medical Board to examine the building and station. The Board reported that the station at Saiwan appeared healthy; that there was no apparent cause for disease, and that it was eligible for troops. The general resolved to begin with a small detachment, and 20 Europeans were sent to Saiwan. No sentry was to be mounted during the day, and but one at night.

In five weeks, five of the soldiers were dead; three more were in a dangerous state, and four were convalescent; one European woman and child were also dangerously ill.

The remaining men were withdrawn, and a small detachment of native troops are now (17 July 1844) being sent thither, in order to ascertain whether the climate will suit them. On the 17th July 1844, only four men out of the 20 Europeans were reported fit for duty.

The returns made to the Army and Naval Medical Boards will furnish full information on the sufferings of the soldiers and sailors in Her Majesty's service in this colony.

The Indian troops bear the insalubrity of the climate worse than the Europeans. In the cantonments at the west end of Victoria, the 39th Madras Native Infantry and 37th Madras Native Infantry lost nearly half their men in 1842. In May 1844 a wing of the 4th Regiment Madras Native Infantry landed at Hong Kong 450 men in perfect health, and 53 sick, after a long voyage. There have been already many deaths in the cantonments at the east end of Victoria, and in June 1844 there were 160 men sick, and the list was daily increasing. From 15th April to 2d July 1844 there died at Hong Kong, out of the small force here, 52 Europeans and 42 native soldiers.

General D'Aguilar says that the maintenance of an European garrison at Hong Kong would cost the Crown one regiment every three years. Estimating each soldier as having cost Government 100 *l.*, this would be a severe economical loss, and worthy the consideration of those who will not reflect on the humanity of the subject. To keep 700 effective firelocks in Hong Kong it is necessary to maintain 1,400 men!

Hong Kong is not less fatal to the Chinese, of whom there are, on an average, about 600 sick and dying monthly. Dr. Gutzlaff says, "of 100 coolies, with whom I was acquainted, there died, between 20th May and 15th June 1844, 10 men, whilst 30 left the place diseased."

I understand that the whole of these 100 strong men from the north-east coast were obliged to leave the colony from sickness. There is no large town or extensive population

Appendix, No. 3.

Report on the Island of Hong Kong.

on the mainland of China adjacent to Hong Kong, which indicates the native opinion of this part of China.

Dr. Gutzlaff says, "Many Chinese have fallen victims in Hong Kong from a malignant fever, which not only deranges the whole system, but hastens the death of the patient." He adds: "There exists amongst the doctors not one dissentient voice about the fatal tendency of diseases contracted here."

Nor is it during only one period of the year that the island is unhealthy; in the cold season there are agues, low continued fever, diarrhœa, pulmonary complaints, dropsy, rheumatism, and various other diseases arising from general debility of the system, and the poisoned atmosphere. On 25th August 1843 the Surveyor-general of the colony reported to Government that "the number of interments had been so great (in the European grave yard) that the enclosure was almost quite full, and the hill behind so rocky that it was impossible to dig into it, therefore ere long it would be necessary to provide another place." The Surveyor-general further stated, "It would be a difficult thing to select another grave yard, on account of the rocky and uneven nature of the island."

Let it be not said that the dreadful mortality and sickness of Hong Kong is the result of the newness of the colony, and that all young settlements suffer proportionally.

The assertion, if made, is at variance with fact. New colonies, even in the tropics, have not been originally unhealthy. When the West India islands were first colonized, they were perfectly healthy, as is proved by the large European population who resorted thither and remained there many years. Calcutta and Bombay are reported to have been formerly much healthier than they are at present; the Australian colonies were perfectly healthy when founded; so also the Mauritius and St. Helena; I cannot name a single colony that was originally unhealthy, and that subsequently became salubrious. Soldiers, sailors, and civilians; Europeans and natives, women as well as men, residing in every part of Hong Kong, have fallen victims to the climate, and at all seasons of the year.

An extensive study of the subject, and no inconsiderable experience in different climates, induces me to concur in the opinion of Dr. Thompson, the respected head of the medical department of Hong Kong, that the island never will be healthy. Its geological character, the immense quantity of rain, and the circumvallation of hills surrounding the town and island, render it a hotbed of disease which may be more mitigated one year than another, but which will ever and anon recur with increased violence. No drainage can obviate this destructive miasm; independent of new roads or buildings, the rain will every year keep the surface continually saturated with moisture, and also uncover large portions of the hills, washing the putrifying substance down the deep ravines towards the sea, thus generating a fruitful crop of disease.

We shall have to consider in a subsequent part of this Report, whether the objects sought or to obtained by the possession of Hong Kong are worth the dreadful sacrifice of life which the maintenance of the present establishments entail.

*Population and Progress.*—Hong Kong was "ceded to the British Crown under the seal of the Imperial Minister and High Commissioner Keshen," in January 1841.—*See* Captain Elliott's proclamation, dated Hong Kong, 29th January 1841, promising "full security and protection to all British subjects and foreigners, residing in or resorting to the island, so long as they shall continue to conform to the authority of H. M. Government, hereby duly constituted and proclaimed in and over Hong Kong, &c." By the same proclamation natives of China were invited to settle in the island by promising them that they should be "governed according to the laws and customs of China, every description of torture excepted." And by another proclamation, dated Hong Kong, 1841, issued by Sir Gordon Bremer, Commander-in-chief, and Captain Elliott, H. M. Plenipotentiary, it is declared, that "the island of Hong Kong has now become a part of the dominions of the Queen of England by clear public agreement between the high officer of the Celestial and British Courts, and the Chinese are hereby promised protection in Her Majesty's gracious name against all enemies whatever; and they are further secured in the free exercise of their religious rites, ceremonies, and social customs, and in the enjoyment of their lawful private property and interests." Chinese ships and merchants resorting to the port of Hong Kong for purposes of trade are exempt, in the name of the Queen of England, from charge or duty of any kind to the British Government. The remainder of the proclamation consists of further inducements for the Chinese to settle in and trade with Hong Kong. A form of Government was organized; a chief magistrate, and a harbour master, &c. were appointed; 50 lots of land were sold, in June 1841, to Messrs. Jardine, Matheson & Co., Dent & Co., MacVicar & Co., Fox, Rawson & Co., Turner & Co., Lindsay & Co., and various other persons, the annual rental of which amounted to 3,224*l.* Each lot was required to have a building erected within six months, of the appraised value of 1,000 dollars; and a deposit of 500 dollars was required to be lodged with the treasurer as a security for the performance of this engagement. Building commenced with great spirit; the Government spent very large sums of money on the island, and the harbour was filled with ships of war and transports. The island has now had a fair trial of more than 3½ years; we shall inquire what progress it has made in population.

On taking possession of Hong Kong it was found to contain about 7,500 inhabitants, scattered over 20 fishing hamlets and villages. The requirements of the fleet and troops, the demands for labourers to make roads and houses, and the servants of Europeans, increased the number of inhabitants, and in March 1842 they were numbered at 12,361. In April 1844 the number of Chinese on the island is computed at 19,000; of whom not more than 1,000 are women and children. In the census are included 97 women, slaves, and the females attendant on 31 brothels, eight gaming houses, and 20 opium shops, &c. It is literally

literally true that after 3½ years' uninterrupted settlement, there is not one respectable Chinese inhabitant on the island. One man of reputed wealth, named Chinam, who had been engaged in the opium trade, came to Hong Kong, built a good house and freighted a ship. He soon returned to Canton, and died there of a fever and cold, contracted at Hong Kong. It was understood, however, that had he lived he would have been prohibited returning to Hong Kong, the policy of the mandarins on the adjacent coast being to prevent all respectable Chinese from settling at Hong Kong, and in consequence of the hold which they possess on their families and relatives, this can be done most effectually; at the same time I believe that they encourage and promote the deportation of every thief, pirate, and idle or worthless vagabond from the main land to Hong Kong.

The Rev. Dr. Gutzlaff, who has been engaged in making the recent census appended to this Report, referring to the fishermen, who formed the greater part of the population of the island on our arrival, says "They are a roving set of beings, floating on the wide face of the ocean with their families, and committing depredations whenever it can be done with impunity." "The stone cutters have been working here for many years before our arrival; the majority of these men are unprincipled. They cannot be considered as domesticated, and are in the habit of going and coming, according to the state of trade." "The most numerous class who have since our arrival fixed themselves on the island, are from Whampoa; many of them are of the worst character, and ready to commit any atrocity." "The capital of the shopkeepers is very small; the most of them live from hand to mouth, and lead a life of expedients without principle and self control." "It is very natural that depraved, idle, and bad characters from the adjacent main and islands should flock to the colony where some money can be made." Dr. Gutzlaff, whose prepossessions are strongly in favour of the Chinese, concludes this portion of the memorandum with which he has favoured me, as follows: "The moral standard of the people congregated in this place (Hong Kong) is of the lowest description." This observation is fully borne out by the numerous murders, piracies, burglaries, and robberies of every description which have taken place during the last three years, and with almost perfect impunity; for the Chinese are formed into secret societies for the mutual protection of villains, and no man dare inform against another. At this moment (July 1844) the European inhabitants are obliged to sleep with loaded pistols under their pillows, frequently to turn out of their beds at midnight to protect their lives and property from gangs of armed robbers, who are ready to sacrifice a few of their number if they can obtain a large plunder.

This state of things was long ago predicted. In the Canton Register of 23d February 1841 it was stated, "Hong Kong will be the resort and rendezvous of all the Chinese smugglers; opium smoking shops and gambling houses will soon spread; to those haunts will flock all the discontented and bad spirits of the empire; the island will be surrounded by 'Shameens' and become a Gehenna of the waters." Three years have completely fulfilled this prediction, and neither time nor circumstances will now ever alter the character of the place. No Chinese of the humbler class will ever bring their wives and children to the colony. He must be sanguinely visionary who expects that Hong Kong will ever contain a numerous and respectable Chinese population. And, as regards the present inhabitants, (if a migratory race who are constantly changing deserve that epithet), their diminution by one-half would be satisfactory, for then a control by registration might be exercised, and life and property be rendered in some degree secure. The daring character of the population and its worthlessness for all useful civil purposes in the formation of a colony, will be seen in the following incident.

On 27th September 1843, the Honourable Major Caine, the chief magistrate, issued a proclamation for pulling down some mat sheds which harboured a gang of ruffians who were nightly engaged in plundering the town. In the beginning of October 1843, the Chinese robbers posted a counter proclamation on the gate of No. 1 Market-place, in the chief thoroughfare, declaring that if they left the island themselves they would "compel others to do so, taking with them their merchandize and property, and warning people to be cautious how they ventured out after dark, lest they meet with some unexpected harm." At the same time the Government coal depôts were set on fire; the mat barracks of the 41st Regiment, and the Market-place No. 1, were attempted to be burned; and at noon a number of Chinamen, armed with knives, entered the market, threatened all around, wounded a European policeman, and then walked away unmolested. The number of prisoners in the jail of Hong Kong averaged, during 1843–44, from 60 to 90 a month; nearly every prisoner was Chinese, and the crimes with which they were charged were invariably piracy, murder, burglary, robbery, &c. There has been no diminution of crime; the number of prisoners in the jail have increased, and the nightly robberies are as frequent, if not more so, than they were three years ago. The shopkeepers do not remain more than a few months on the island, when another set takes their place. There is, in fact, a continual shifting of a Bedouin sort of population, whose migratory, predatory, gambling, and dissolute habits utterly unfit them for continuous industry, and render them not only useless, but highly injurious subjects in the attempt to form a new colony.

There cannot be said to be any other coloured race in the colony; a few Lascars seek employment in ships. The European inhabitants, independent of those in the employ of government, consist of the members of about 12 mercantile houses and their clerks, together with several European shopkeepers. A few persons have arrived here from New South Wales, to try and better their fortune, many of whom would be glad to return thither.

The principal mercantile firms are those engaged in the opium trade, who have removed

Appendix, No. 3.

Report on the Island of Hong Kong.

thither from Macao, as a safer position for an opium depôt, and which they frankly admit is the only trade Hong Kong will ever possess. The opium belonging to the two principal firms is not, however, lodged on shore, it is kept in receiving ships, the "Hormanjee Bomanjee," belonging to Jardine, Matheson & Co., and the "John Barry," belonging to Dent & Co. Even the money in use by those firms is not entrusted on shore, but is kept in the receiving ships. These firms, and the three or four others partially engaged in the opium trade, carry on this business in Hong Kong. The tea trade is carried on distinctly at Canton, by members of the firms resident there. Excepting the six firms engaged in the opium trade, the other six houses are small, and are principally agents for manufacturers, &c. in Great Britain. The expense of establishments, the high rate of interest of money, and the want of trade, will, it is said, probably ere long compel the removal or breaking-up of several of the small houses. There is scarcely a firm in the island but would, I understand, be glad to get back half the money they have expended in the colony, and retire from the place. A sort of hallucination seems to have seized those who built houses here; they thought that Hong Kong would "rapidly out-rival Singapore, and become the Tyre or Carthage of the Eastern hemisphere." Three years' residence, and the experience thence derived, have materially sobered some of their views. Unfortunately the government of the colony fostered the delusion respecting the colony. The leading government officers bought land, built houses or bazaars, which they rented out at high rates, and the public money was lavished in the most extraordinary manner, building up and pulling down temporary structures, making zig-zag bridle paths over hills and mountains, and forming the Queen's-road of three to four miles long, on which about 180,000 dollars have been expended, but which is not passable for half the year. The straggling settlement called Victoria, built along the Queen's-road, was dignified with the name of city, and it was declared on the highest authority that Hong Kong would contain a population "equal to that of ancient Rome."

The Surveyor-general, in an official report to Sir Henry Pottinger, of 22 pages, dated 6 July 1843, proposed building an entirely new town or city, in the Woonichung Valley (which may be aptly called the valley of death), with a grand canal and many branch canals, &c. &c.; two ranges of terraces of houses, &c. &c.; courts of law and various other offices; acclimating barracks; additions to the present government house, for the secretaries and personal staff of the Governor, isolated from all other buildings; a space of land to be reclaimed from the sea for a public landing place, with an esplanade or public walk; a magnificent promenade of four miles to be made on ground now covered by the sea, which was to be excluded by a sea wall, at a cost of 35 dollars per lineal yard, exclusive of filling in, &c.; a circular road over hills and ravines, round the entire island, &c. &c., adapted for carriages, and for moving troops with speed and facility to any part of the island where they may happen to be required for the protection of the different villages. (These villages, be it remembered, containing nothing but a few hundreds of a thieving, piratical population.) I refer to the Government archives for full details of these and other most ridiculous projects, involving a vast expenditure of public money, which none but the wildest theorists or self-interested persons could have projected or entertained.

On 17th December 1843, the Surveyor-general laid before Sir H. Pottinger the elevation of a building for a government office, &c. with a front of 360 feet in length, by 50 feet in depth, and which would probably cost 30,000 *l.* sterling. There seemed to be the greatest possible desire to spend a large part of the Chinese indemnity money on this wretched, barren, unhealthy, and useless rock, which the whole wealth, energy, and talent of England would never render habitable, or creditable as a colony to the British name.

In illustration of the mode in which the public money was proposed to be spent, I give the following, which is a portion of the estimate of public works in Hong Kong, for 1844, and which Sir H. Pottinger transmitted to England for approval:

| | | |
|---|---|---|
| Completion of Queen's-road from West Point to the east side of Wong-nichung Valley | 28,000 | dollars. |
| Ditto, to godowns of Jardine & Co. | 15,000 | „ |
| New street formation in Victoria | 35,000 | „ |
| Sewers in Victoria | 100,000 | „ |
| Value of houses to be removed from Upper Bazaar and other places | 25,000 | „ |
| Drainage of Woonichung Valley | 7,000 | „ |
| Bridle path to Saiwan | 3,000 | „ |
| New church | 35,000 | „ |
| Government house, with suitable office, &c. | 70,000 | „ |
| House for Judge | 24,000 | „ |
| Ditto, for Advocate-general | 20,000 | „ |
| Ditto, for Queen's Solicitor-general | 20,000 | „ |
| Ditto, for Colonial Secretary | 20,000 | „ |
| Ditto, for Chief Magistrate | 20,000 | „ |
| Ditto, for Treasurer | 18,000 | „ |
| Ditto, for Land Officer | 18,000 | „ |
| Ditto, for Clerk of Colonial Council | 16,000 | „ |
| Ditto, for Colonial Surgeon | 16,000 | „ |
| Ditto, for Chaplain | 16,000 | „ |
| Range of building for Advocate-general, Queen's Solicitor, &c. &c. | 100,000 | „ |
| Prison, with house for gaoler, Hong Kong | 45,000 | „ |
| Debtors' gaol, Hong Kong | 20,000 | „ |
| House of correction, Hong Kong | 15,000 | „ |

| | | |
|---|---|---|
| Two police stations north side of island | 10,000 | dollars. |
| Two smaller ditto | 4,000 | „ |
| Police station at Chuck Choo | 8,000 | „ |
| Ditto at Saiwan | 3,000 | „ |
| Ditto at Pok-foolum | 3,000 | „ |
| Keeping in repair Chuck Choo road | 1,500 | „ |
| | 715,500 | „ |
| Contingencies of 5 per cent. | 35,775 | „ |
| | 751,275 | „ |
| Consulate at Canton | 45,000 | „ |
| Total | $ 796,275 | „ |

Land-office, Victoria,
10 February 1844.

*A. F. Gordon,*
Land Officer.

This is but a small portion of the contemplated expenditure; it does not include the formation of streets and roads in Hong Kong, which (on account of the mountainous nature of the island) would cost about 100,000*l.* sterling. It does not include barracks, stores, forts, arsenals, dockyards, wharfs, &c. all projected, and which would cost several millions sterling before they would be completed.

It is unnecessary to pursue this branch of the subject further; sufficient has been said to show the absurd and ruinous projects which were entertained, and the utter failure of the colony in regard to the nature and extent of its population. Notwithstanding the large sums of money expended, the Governor is now obliged to hire a residence which belongs to the late deputy governor, Mr. Johnston. The government offices are in a temporary building, which is falling to pieces. The General commanding has hired an inn for his residence. There is only one small barrack in Victoria, and that has been recently erected; it is not possible to rent a decent house under 150 to 180 dollars a month, about 400*l.* sterling per annum. The church service is conducted in a mat shed; the civil and military officers are glad to get a location, or even a room, in any spot, on any terms; and the prices of living and of servants, &c. (*see* Documentary Appendix), are enormous, while the whole population of the island is entirely dependent for its daily supply of food on the Emperor of China's subjects on the mainland of China.

*Commerce.*—There is no trade of any noticeable extent in Hong Kong. Vessels occasionally touch here on their way to Canton, or on their return from thence when laden and about to proceed to Europe for orders. Vessels also proceeding to or coming from the ports to the northward sometimes touch here for instructions from the owners or consignees, but very few break bulk at Hong Kong. There is a considerable business done in opium. Messrs. Jardine, Matheson & Co. have a large opium receiving ship, the "Homanjee Bomanjee," moored the whole year round in this harbour; Messrs. Dent & Co. have also a large vessel, the "John Barry," for a similar purpose. These receiving ships contain the opium brought from India, whence it is transhipped to smaller vessels and sent up the coast. Messrs. M'Vicar, Burn & Co.; Fox, Rawson & Co., and a few smaller houses, also deal to the extent of their means in the opium trade, which requires a large ready money capital. The smaller houses, who have no vessels of their own, consign opium to agents at the consular ports, but it is kept on board the receiving ships, moored off or near those ports, until the agents sell the opium to some Chinese broker, at Shanghai, for instance, who then receives an order for the delivery of the opium from the receiving ship at Woosung. There are no native trading junks here from the coast of China; there are none belonging to the port, and a few fishing and passage boats, which form a safe asylum for Ladrones and vagabonds of every description, constitute the native craft of Hong Kong. Even if the natural impediments did not exist to the establishment of a native coasting trade, the articles 13, 14, and 16, in the Supplemental Treaty would effectually prevent any Chinese junks resorting to Hong Kong. Not only are the junks prevented proceeding thither from any places but the five consular ports, but they must also obtain special passports for a voyage to Hong Kong, and when arrived there the British Government are to act the part of spies for the Chinese government, and to report every vessel, the name of her proprietor, the nature of her cargo, &c., to the authorities at Canton.

It is now well understood what was the object of these clauses; no passes will be readily granted, and junks that might proceed to Hong Kong would probably be punished by the Chinese authorities, who are exceedingly jealous that anything should occur for the advantage of Hong Kong. These and other circumstances, together with the fear of pirates, the want of a Chinese commercial community, the dearness of provisions, and the absence or high price of any trading commodities, will be sufficient to prevent any coasting trade at Hong Kong.

Dr. Gutzlaff, whose knowledge of the Chinese character and proceedings is certainly unsurpassed, says, "So long as the trade is maintained in the respective ports on an excellent footing, no vessels will visit this colony to buy articles at the same price which they can more easily get nearer to them, nor will they bring goods to Hong Kong for which there is an advantageous market in their own neighbourhood. When ships find it more profitable to proceed direct to the northern ports, the chances of Hong Kong becoming an

Appendix, No. 3.

Report on the Island of Hong Kong.

emporium are very trifling. Whatever native or foreign trade will be carried on here must be brought to the colony by adventitious circumstances, and will last or cease according to accident; for notwitstanding the excellent harbour, Hong Kong has nothing in its position or relationship to the other ports to concentrate commerce."

Since August 1841, Sir H. Pottinger has been issuing proclamations and regulations respecting commerce and shipping for their encouragement and protection. No duties of any kind whatever have been levied, no inquiries have been made as to the cargoes of vessels; ships might enter and depart at pleasure; but all in vain, commerce cannot be created where no materials for it exist.

The table in the Documentary Appendix shows the shipping which entered the harbour of Hong Kong for three years. It consisted principally of transports conveying troops, and vessels calling for orders or seeking freights. Ample trial has been given the place without any satisfactory result. Nearly four years' residence on, or occupation of the island, and an immense expenditure, has failed to produce any commercial operation. Every month the shipping entering the harbour are diminishing in number, and the imposition of a tonnage duty would, it is said, cause a still further decrease.

There does not appear the slightest probability that under any circumstances Hong Kong will ever become a place of trade. The island produces nothing whatever; its geographical position, either as regards the Chinese coast generally, or Canton in particular is bad. For the trade of the coast of China it is too far to the southward of a territory which extends upwards of 2,000 miles, and if it were practicable to remove the foreign trade of Canton, the removal would be either to some of the open ports to the northward, in the neighbourhood of the tea districts, or to some island or place in the Canton River. Among other delusions that have been promulgated, is the allegation that Hong Kong is a protection to the British commerce at Canton, and especially to the tea trade. With reference to the latter, it should be remembered that the Chinese are as eager to sell us tea as we are to buy it; that the cessation of the trade would be a greater injury to them than to the British nation; that there was no difficulty in procuring tea during the war; that nothing would prevent the Chinese supplying our annual demand for tea, and, of course, receiving in return English manufactures. The tea trade is in fact as independent of Hong Kong as it would be of our occupation of the Sandwich Islands. Canton, however, has no intrinsic advantages to make it the seat of foreign commerce. So long as the emperor restricted all foreigners to the most distant southerly port in the empire, tea, silk, or any other exportable produce was obliged to be conveyed thither, however distant the place of production or manufacture; but the case is now totally different, when the northern ports in the immediate vicinity of the tea and silk provinces are equally with Canton open to British commerce. Several vessels have already laden with tea for England in the northern ports; this may be increased, and the trade of Canton would then be proportionably diminished, thus rendering Hong Kong, (admitting for the sake of argument its reputed value as a protection to the trade of Canton), every year less and less useful to British interests in China. It is for the advantage of England that our trade with China be carried on with the northern ports. In the central districts of China, along the Yang-ze-kang and other great rivers and canals, the people are more civilized, more wealthy, and, now that they are becoming acquainted with the English, more disposed to friendly and commercial intercourse. By purchasing tea and silk near the place of production, the charges of land-carriage, fees, &c., will be reduced, and the cost price thus lessened by one-third to the British consumer; on the other hand the Chinese will be able to purchase at a cheaper rate British manufactures, when they are brought by our vessels to their doors. These and other considerations render it a matter of national importance that our trade with China be diffused over several ports, instead of being confined to Canton, and indicate that it is not desirable that Hong Kong be maintained, even if the assertion be true, as a protection to the trade of Canton.

There are now five ports open on the coast of China to all European, East Indian, and American vessels. There can be no reason why foreign vessels should discharge cargo at Hong Kong, merely to change cargoes from one vessel to another; and as the Chinese government now, I believe, allows a vessel to sell part of her cargo at one port, and then proceed to another, and will probably ere long form bonded warehouses at each port, there will be still less probability of any trade being established here. It is indeed a delusion or a deception to talk of Hong Kong becoming a commercial emporium, and to liken it to Singapore. The circumstances and position of Hong Kong and Singapore present no resemblance whatever. Hong Kong is a barren rock, producing nothing, not leading to any place, surrounded by no trading or populous communities with various commodities for barter, and disadvantageously situated at the most impoverished part of a coast line of 2,000 miles, and which for half the year is only readily accessible in one direction.

Singapore is most advantageously placed at the southern point of the rich Malayan Peninsula, and at the entrance of the Straits of Malacca, which may be considered the high road between Eastern and Western Asia. It is surrounded by, or lies contiguous to, the most fertile, wealthy, and populous islands and countries in the world. Sumatra, Java, Borneo, Celebes, Macassar, Penang, Siam, Cochin-China, Tonquin, Birmah, &c. The harbour of Singapore is capacious, perfectly sheltered, easy of access from every point of the compass, and never experiencing a tempest. The climate is very salubrious. The island is of great beauty and fertility, with an undulating surface, an area of 120,000 acres, all capable of tillage, and of which 20,000 acres are now under the luxuriant and profitable cultivation of sugar cane, nutmegs, pepper, rice, beetle nut, gambier, cocoa nuts, &c. The sugar made by Mr. Ballastier with a steam engine, or by Mr. Montgomerie by water and

the

cattle mills, is equal in quality to the produce of the West Indies; the nutmeg trees are already yielding abundantly; the black pepper produced during the past year amounted to 38,000 piculs (a picul = 133 lbs.), the gambier to 85,000 piculs, and there are 100,000 cocoa-nut trees in full bearing. Live stock, bread, water, and delicious fruit and vegetables of every kind, and at moderate prices, are at all times ready for the shipping, who enjoy the advantage of a perfectly free port; 86 miles of excellent roads have been completed, and extensive communications are in progress; land is being sold in fee simple at a minimum and maximum price of five to ten rupees, or 10 *s.* to 20 *s.* per acre; 50,000 industrious and skilful inhabitants are spreading cultivation in every direction; four companies of Sepoys constitute the sole military force of the island, which has not even a fort for its defence; the revenue in 1842 amounted to rupees 509,087, and the disbursements (including rupees 165,955, for troops, and rupees 49,789, for Bengal and Madras convicts) to rupees 494,029, leaving a surplus of income to the extent of rupees 15,083, and under the able management of the present Governor, Colonel Butterworth, it is one of the most lucrative possessions of the British Crown.

The remarkably eligible position of Singapore for a commercial emporium led to its establishment as a British colony by Sir Stamford Raffles in 1819, when there were but a few Malay fishermen on the island, who disputed with the tiger for their occupancy. In 1812 the trade of the colony amounted to 1,000,000 *l.* sterling, in 1824 to 3,000,000 *l.* sterling, and last year, and indeed for several years, the commerce of the island has averaged 5,600,000 *l.* sterling per annum.

This trade is carried on with many countries: with Great Britain, to the extent of $3,000,000; with Calcutta, $2,800,000; with Java, $1,500,000; with foreign Europe, North and South America, Madras, Bombay, Arabia, Ceylon, Penang, Malacca, Birmah, Siam, Cochin-China, Manilla, Hainan, Formosa, and the whole coast of China; with Sumatra, Borneo, Rhio, the Moluccas, Mauritius, Australasia, &c. Traders from all these places meet by common consent at a central mart close to the Equator, and exchange the productions of Asia for those of Europe and America. It is erroneously supposed that Singapore has been created by its trade with China; such is not the fact. The total import tonnage of Singapore in 1838–39, in square rigged vessels, was 178,796 tons, of which that from China was 32,860. The native tonnage for the same year was 48,000, of which the Chinese vessels constituted 8,000 tons.

The "Straits produce," which the Chinese require, are brought to Singapore by Malay and other coasting craft who would not proceed to the northward; and the proprietors of the Chinese junks, with whom time is no object, and who go down the coast to the Eastern Archipelago with one monsoon and return with the other, prefer the speculation with their varied cargoes, and the visiting of their countrymen at the different islands.

But sufficient has been stated to show that there is no analogy whatever between Hong Kong and Singapore, and that the geographical, territorial, and commercial advantages which have contributed to the prosperity of Singapore, are totally and entirely wanting, and can never be created at Hong Kong.

*Financial Point of View.*—There is no apparent prospect of Hong Kong ever yielding any revenue adequate to more that a very small civil government. The limited size and rocky nature of the island, the absence of agriculture, manufactures, or commerce, and the fluctuating and predatory character of the population, forbid the hope of an income being raised to sustain a regular Government establishment, on the scale now adopted, and which indeed is far beyond the present or prospective wants of the island community. Under the most favourable circumstances there may possibly, some years hence, be obtained from the rent of building land from 5,000 *l.* to 7,000 *l.* per annum; the markets, licences, fines, and fees of every description, may realize hereafter about 1,000 *l.* per annum. The levy of a tonnage duty would not yield more than 500 *l.* to 1,000 *l.* per annum, if it did not drive away the few ships that now enter the harbour; it is not probable that vessels would pay 6 *d.* per ton merely to call for orders, when then they can lie in Macao roads and daily communicate with Hong Kong. A registration or licence for each male Chinese resident on the island might, if there were a more respectable class of inhabitants in the colony, produce 600 *l.* to 1,000 *l.* a year. Neither auction duties, stamps, or any of the other ordinary sources of taxation, would under present circumstances yield any revenue worth consideration.

The idea that the Chinese government will sanction the introduction of opium into China at a moderate fixed duty, and that a large revenue may then be raised by warehousing the drug at Hong Kong, must, I think, be abandoned as illusory. The legal admission of opium into China by the Emperor, according to the best information I can obtain, is not at all probable; but even were the traffic in opium legalized, the traders have declared they would not pay any duty in Hong Kong. They can keep their large receiving ships the whole year round in Hong Kong or in any other harbours, or tranship the opium from the vessels which convey the drug from Bengal and Bombay to this place on board the smaller vessels, which proceed along the coast to sell, or deposit it at Whampoa, Namoa, Amoy, Chimmo, Chin-Chu, Chusan, or Woosung, in the receiving ships which lie in these bays or stations the whole year round. I will not discuss the question of raising a revenue in Hong Kong from the introduction of opium, for smoking in the island, either by farming out the drug or otherwise. Independent of the morality or immorality of the question of government deriving an income from a vicious indulgence, so long as the Chinese government prohibit the introduction and make the use of opium a capital offence,

Appendix, No. 3.

Report on the Island of Hong Kong.

it would not, to say the least, be seemly of us to encourage the use of this destructive and poisonous stimulant in Hong Kong.

The total revenue to be expected from this colony cannot in my opinion exceed 10,000 *l.* per annum, and to obtain this amount several years must elapse under the most favourable circumstances. The per-contra side shows an expenditure at this moment for mere civil establishment salaries and wages at the rate of 50,000 *l.* per annum, irrespective of the cost of any public works, roads, and buildings, which is estimated at 50,000 *l.* per annum for several years, independent also of the consular charges of 30,000 *l.* per annum, and of the army and navy, the whole showing a yearly drain on the British Exchequer of half a million pounds sterling. (*See* Documentary Appendix.) And here it may be necessary to remove an erroneous assertion that this heavy yearly charge is only a portion of the revenue which England derives from the China trade.

The revenue which is obtained from tea is paid by the people of England, who buy and consume the tea. It might as well be said that the West Indies furnished the revenue derived by the British Exchequer from the coffee and sugar consumed in the United Kingdom. The incidence of taxation is on the last purchaser of the taxed article; the tea merchant in London adds to the invoice cost of the tea bought at Canton, the freight to England, the insurance, interest of money, warehousing, customs duty levied in England, and the fair profits of trade on every chest of tea he may sell to the grocer, who then regulates the price at which he can afford to sell a pound of tea to his customer, who finally pays the whole charges, taxes, and profits to the several parties before he drinks his tea. The revenue derived from the China trade is paid by the people of England; the merchant carries on the trade does not pay 1 *s.* of it.

It will be for her Majesty's Ministers to decide whether, on a review of the whole case, there be any justification for spending half a million sterling annually on this coast. Commodore Chads, C. B., who has had extensive experience for many years in China, is of opinion that England would be wise in not establishing any colony in China.

As a general principle, colonies that will not pay at least the expense of their civil government are not worth maintaining. There does not appear any reason why Hong Kong should be an exception to this rule. There is not, as has been fancifully supposed, any analogy whatever between Hong Kong and Gibraltar. Hong Kong commands nothing; a glance at a chart will show that the navigation of the China seas is perfectly independent of Hong Kong; nay, even the entrance of the Canton river is not controlled by Hong Kong; it is not possible by any outlay of money to make the island a fortress, and it is commanded by the opposite shore of the main land. But supposing several millions sterling were spent in fortifying Hong Kong, and half a million were annually expended for its garrison, the *cui bono* would constantly recur. From a Chinese enemy the island has nothing to apprehend even at present; no European or American state would think of capturing Hong Kong, for it would be valueless to them, and if mere glory were sought by the acquisition they must be aware the fame would be of short continuance, as troops and ships from India, from Australia, and from all our stations eastward of the Cape of Good Hope, would soon recapture the place or starve out the garrison.

But Gibraltar is differently circumstanced; it effectually commands the narrow entrance to the Mediterranean, and, together with the fortresses and havens of Malta and Corfu, gives England a preponderating power in that great European sea, which is becoming daily of more and more value in her intercourse with the Anglo-Eastern empire. Moreover, Gibraltar is a valuable commercial entrepôt; at one period 1,000,000 *l.* sterling of cotton goods were exported through Gibraltar into Spain.

As a fortress, Gibraltar is perfect; it is impregnable. The revenue of Gibraltar is fully adequate to its civil government, and averages upwards of 30,000 *l.* per annum; the military expenses incurred by garrisoning Gibraltar saves the constant maintenance of a large fleet in the Mediterranean, preserves the balance of power, and materially helps to keep the peace of Europe. The remarks applicable to Gibraltar are also applicable to Malta and the Ionian Islands, both of which stations not only pay their whole civil expenditure, without one shilling charge on the British Exchequer, but also contribute a considerable sum annually towards military defences and protection. Both of these places are also entrepôts of a large trade. Every colony of the British empire pays for its own civil government, except small sums which are voted annually in part aid for the Bahamas, Bermuda, the Falkland Islands, St. Helena, and Heligoland; but all these places are intrinsically valuable: the Bahamas for the geographical position of their harbours; Bermuda as a strong fortress and dockyard in the Western Atlantic; the Falkland Islands for their important position and fisheries in the Great Southern Ocean, near Cape Horn; St. Helena as a strong fortress and recruiting station for our numerous ships doubling the Cape of Good Hope in their voyages to and from India, China, and Australasia; and in the event of war the possession of St. Helena would be of great value to our merchants, and save us a large fleet in the Atlantic. Heligoland, during the late European war, was a large commercial depôt for the Elbe and the northern parts of Europe. Its expense is only about 500 *l.* a year. Numerous as are the colonies of the British empire they are each of some utility to England; for their territorial extent as emigration fields to provide employment for a surplus population; for their productions of sugar, coffee, corn, cotton, silk, indigo, timber, oil, wool, &c.; as maritime positions or military posts; as trading emporiums or fishing stations. I have in vain sought one valuable quality in Hong Kong, for there are other good harbours around, and for 200 years we have not found the want of such. I can see no justification for the British Government spending 1 *s.* on Hong Kong.

*Religious*

*Religious and Social Influence.*—The benefits derivable from our laws, institutions, and religion can never be conferred on the Chinese by our colonization of Hong Kong.

We are here, in fact, almost as much isolated from China, its people, and supreme government, as if we were located in the Eastern Archipelago. By the adroit policy adopted by the Chinese authorities, a "cordon sanitaire," if I may so express it, has been drawn around Hong Kong; no Chinaman is permitted to come here willingly except he be a thief, a pirate, or a spy. No respectable Chinese, with their families, locate themselves in Hong Kong; if they did, their relations still remaining on the main land would probably be "squeezed," imprisoned, tortured, and considered as traitors to the Celestial Empire.

Hong Kong is viewed by the Chinese as a spot where adventurers and reckless characters may make something out of the English, and where burglars and robbers may resort with impunity, and live upon the profits of their villainy.

I am strongly of opinion, from circumstances that have come to my knowledge, that the mandarins view with indulgence all vagabonds who propose to quit their own country and proceed to Hong Kong; that in fact direct encouragement is afforded them to do so; it is therefore the height of improbability to suppose that the possession of Hong Kong will ever enable us to disseminate our religion, language, and institutions in the Chinese empire. For 200 years we have had extensive and profitable intercourse with Canton, without our missionaries and other good men ever producing the slightest effect on the people or government. The inhabitants of the southern districts are decidedly hostile to us, and are daily becoming more and more filled with a deadly animosity, which the possession of Hong Kong will not remove. No converts are made by our missionaries on this island, but were such the case no converts from Hong Kong would be favourably viewed by the respectable Chinese on the main land. The Christian converts would be considered as coming from an island of thieves and pirates; they would be received with a suspicion which would check rather than advance the progress of Christianity. The missionaries with whom I have conversed take this view of the subject; they consider it hopeless to attempt the spread of Christian doctrines in China by means of converts from Hong Kong. Thus, in a religious aspect, Hong Kong is as valueless as it is on financial and commercial grounds.

Were our colonial authority and establishment at some island or position to the north, near the central regions of China, we should most probably obtain considerable moral influence over an intelligent and respectable class of Chinese, who would communicate their favourable ideas to other and distant parts of the empire, and by extending a knowledge of our language pave the way for the introduction of Christianity. An English city at Chusan, for example, surrounded by an extensive agricultural population (the best disposed and most orderly in China, as well as elsewhere), and evincing all the benefits of the science and skill of Europe, would have a remarkable effect on the Chinese, whose inquisitiveness and imitative powers would soon induce them to copy those things which would conduce to their physical, and ultimately to their moral and religious improvement.

*In a Political Point of View.*—Hong Kong was occupied by our troops and merchants in 1840-41, at a period when our trade was driven from Canton; when we were in hostility to the Chinese government, and when the Portuguese authorities at Macao had expressed their inability to permit, as usual, British residence and resort to that port. At this period the views of Captain Elliott were solely directed toward Canton. Hong Kong was then deemed the most eligible spot for British occupation, on political and military grounds; and so it proved, as long as the operations were being directed against Canton, and we were excluded from China; but on our proceeding to the north, occupying Chusan, and ultimately making peace, and opening five ports, including Canton, for free commercial resort, English residence, and the establishment of a ship of war at each, the political and mercantile value of Hong Kong entirely ceased. The late war has shown us the vulnerable point of China, namely, the Yang-tze-kang river, which is aptly denominated by the Chinese, "the Girdle of the Empire." In the event of any future hostilities our force would be directed at once towards Nankin, and other places on the Yang-tze-Kang river, and not against Canton. It is by interrupting the supplies of grain and salt to Pekin, and cutting off the trade of the great artery, or grand canal, that we can with the least expenditure of blood or treasure terminate hostilities with China.

To accomplish this most desirable result Hong Kong is utterly valueless. Our position must be Chusan, from its contiguity to the scene of war, from its comparative salubrity, safe haven, and capability of supplying provisions, both from the resources of the island itself, and from the contiguous coasts. A fleet of ships of war and transports may rendezvous at Chusan, and select at will the most fitting period of the year for offensive operations. No attack need be apprehended from the Chinese. Coal is abundant in the Yang-tze-kang, for the use of steamers. Ships from Singapore and the southward can now, by reason of a greater knowledge of the winds and currents, reach Chusan, even against the Monsoon, in nearly the same time they would occupy in reaching Hong Kong; and finally the Chinese government, aware of our position, would be the less disposed to break the peace, and would cease to rely so much as they now do on the strength of the forts in the Canton river. The policy of the Chinese government is to keep foreigners at the extremity of the empire; but the sagacious reasons which dictate this policy ought to render us the more anxious to operate in a counter direction. There are now seven fortifications, very strong, and apparently well provided with artillery, at the Bogue. With Chinese gunners these forts would prove, even at present, formidable to an invading force; but well manned

Appendix, No 3.

Report on the Island of Hong Kong.

by European or American artillerymen, the Bogue might be made almost as impregnable as the Dardanelles.

On a review of the whole case, there are no assignable grounds for the political or military occupancy of Hong Kong, even if there were no expense attending that occupancy. The government of China is sufficiently civilized to respect the persons and property of British subjects at Canton, before any declaration of war took place, which, however, is an event of very remote probability for many years to come, if we retain Chusan; and as the treaty with China provides for the stationing of a ship of war at Wampoa or Canton, a better security is thus provided for any British residents at Canton than Hong Kong could afford. The climate of Hong Kong will not admit of the island being made a garrison for our troops; and in the event of another war with China, an invading army must proceed from India, unless we keep a small military and naval establishment at Chusan; but a very small effective force can be maintained here, unless at an enormous expense; and the impracticability of fortifying an island which is commanded by the hills around, and by any large battery erected on the opposite shore, is now generally acknowledged, and is in further corroboration of the inutility of Hong Kong.

On a review of the whole question, and examining the island in all respects, making every allowance for the newness of the settlement, and admitting, for argument sake, that ultimately there may be some trade at Hong Kong, it appears to me very advisable, if Hong Kong be retained as a British station or colony, that the civil establishment of the colony be cut down to a scale commensurate with the resources and wants of the island; and that the supernumerary officers be provided for in other colonies, as vacancies occur; that the European and Sepoy troops be removed, and a portion of the first Ceylon regiment (Malays) be kept at Hong Kong, in aid of the civil power; that a frigate or sloop of war be always stationed in the harbour, with an extra compliment of marines, to be landed only in case of emergency; that the British, and other respectable inhabitants who are house-holders, be formed into a municipal body, with power to assess themselves for the police, lighting, drainage, and street-making, &c. of Victoria; that the harbour be a free port, open to ships under every flag; and that encouragement be given for the resort to and settlement on the island of other European nations. If this be done, a few years will determine whether it be possible to create any trade, or induce any resort to Hong Kong. Large Government establishments, and an immense outlay of the public money for the last three years have produced no beneficial result; but the opium traders, and those who choose to resort thither, have a voice in the management of the affairs of the colony. There can scarcely be less general trade, less prosperity, less security to life and property, than now exists, with a large garrison on shore and a fleet in the harbour.

If there were any one advantage, political, commercial, financial, or religious, present or prospective, derivable to England from the existing establishments at Hong Kong, there would be some justification for the expense now being incurred, and for the great annual sacrifices of life; but when such advantages do not exist, it is worse than folly to persist in a course begun in error, and which, if continued, must eventually end in national loss and general disappointment.

Hong Kong, July 1844. *R. M. Martin.*

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(2.)

**DISSENTIENT** on the Proposition for Licensing the Retail and Consumption of **Opium** in this Colony, on the following grounds:—

**Dissent in Council against Opium Ordinance.**

1st. Because the consumption of opium is not necessary to the subsistence and health of man, and is therefore a vicious indulgence.

2d. Because the use of opium is not only a vice in itself, but the parent of many other vices; and whoever indulges in opium never ceases its use until poverty and death ensue.

3d. Because it is no justification to say, that as gin, beer, wine, and other fermented liquors are stimulants, attended with pernicious consequences when used continuously in excess, that therefore the use of opium may also be licensed by Government. The experience of civilized nations has shown that fermented liquors are advantageous to the healthful energy of man; but no experience has shown that opium is beneficial to the body or mind of man individually or collectively.

4th. Because no Government ought to make private vice a source of public revenue.

5th. Because, independent of the foregoing and other considerations, the peculiar position in which England at present stands towards the Chinese government on this subject, the strong feeling entertained by a very large and influential portion of the British community at home respecting the sale of opium in China, and the risk which his Excellency incurs of creating an unfavourable impression against his government, without any corresponding fiscal advantage to the State, renders it unadvisable to license the consumption of opium in this colony.

Desirous of earnestly and faithfully advising his Excellency, these remarks are offered for the Governor's consideration with great respect.

*R. M. Martin.*

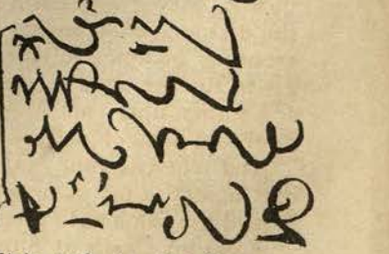
26 November 1844.

# ORIGINAL TREATY OF PRIVILEGES,

## Granted by the Emperor of Japan to the English,

## A.D. 1613.

*The Japonian Charter.*—[*The lines to be read downwards, beginning at the Right Hand.*]



This last is the Seale

Day & Son, lith.rs to the Queen.

N°. 654. Ordered, by The House of Commons, to be Printed, 12th July 1847.

Henry Hansard, Printer

(3.)

Translation of a Grant or Treaty of Privileges.

TRANSLATION of a GRANT or TREATY of PRIVILEGES conceded by the Emperor of *Japan* to the *English*, A.D. 1613.

[Original in the Firogane or Cursive character.]

Imprimis.—Wee give free licence to the subjects of the King of Great Britain, viz., Sir Thomas Smith, Governor and Company of the East India merchants and adventurers, for ever safely to come into any of our ports of the Empire of Japan, with their shippes and merchandize, without any hindrance to them or their goods; and to abide, buy, sell, and barter, according to their own manner, with all nations; to tarry here as long as they think good, and depart at their pleasure.

Item the 2d.—Wee grant unto them freedom of custom for all such merchandize as either now they have brought, or hereafter shall bring into our kingdom, or shall from hence transport to any foreign part; and do authorize those shippes that hereafter shall arrive and come from England, to proceed to present sale of their commodities without further coming or sending up to our court.

Item the 3d.—If any of their shippes shall happen to be in danger of shipwreck, wee will our subjects not only to assist them, but that such parts of shippe and goods as shall be saved be returned to their captain, or Cape merchant, or their assignees; and that they shall or may build one house or more for themselves in any part of our empire where they shall think fittest, and at their departure to make sale thereof at their pleasure.

Item the 4th.—If any of the English merchants or others shall depart this life within our dominions, the goods of the deceased shall remain at the dispose of the Cape merchant; and that all offences committed by them shall be punished by the said Cape merchant according to his discretion, and our laws to take no hold of their persons or goods.

Item the 5th.—Wee will that yee our subjects trading with them for any of their commodities pay them for the same, according to agreement, without delay or return of their goods again unto them.

Item the 6th.—For such commodities as they have now brought or shall hereafter bring, fitting for our service and proper use, wee will that no arrest be made thereof; but that the price be made with the Cape merchant, according as they may sell to others, and present payment upon the delivery of the goods.

Item the 7th.—If in discovery of other countries for trade, and return of their shippes they shall need men or victuals, wee will that yee our subjects furnish them for their money as their needs shall require.

Item the 8th.—And without any other passporte, they shall and may set out to the northward upon discovery of Yead Yo, or any other part in or about our empire.

From our Castle at Surunga, this first day of the ninth month, and in the eighteenth year of our dairy, according to our computation.

Sealed with our broad seal and underwritten,

*Minna Mouttano, Yie. Ye. Yeas.*

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(4.)

To the King of Great Britain.

TO THE KING OF GREAT BRITAIN.

YOUR Majesty's kind letter, sent by your servant Captain John Sares (who is the first I have known to arrive in any part of my dominions), I heartily embrace, being not a little glad to understand of your great wisdom and power, as having three plentiful and mighty kingdoms under your powerful command. I acknowledge your Majesty's great bounty in sending me so undeserved a present of many rare things, such as my land affordeth not, neither have I ever before seen, which I receive, not as from a stranger, but as from your Majesty, whom I esteem as myself.

Desiring the continuance of friendship with your Highness, and that it may stand with your good liking to send your subjects to any port or part of my dominions, where they shall be most heartily welcome; applauding much their worthiness in their admirable navigation, having with much facility discovered a country so remote, being nowhat amazed with the distance of so mighty a gulf, nor greatness of such infinite clouds and storms, from prosecuting honourable enterprizes of discoveries and merchandizing, wherein they shall find me to further them according to their desires.

I return unto your Majesty a small token of my love (by your said subject), desiring you to accept thereof as from him that much rejoiceth in your friendship.

And whereas your Majesty's subjects have desired certain privileges for trade and settling of a factory in my dominions, I have not only granted what they demanded, but have confirmed the same unto them under my broad seal, for better establishing thereof.

From my Castle at Surunga, this fourth day of ninth, in the eighteenth year of our dairy, according to our computation, subscribed.

*Minna Mouttano, Yei. Ye. Yeas.*

Appendix, No. 3.

(5.)

Treaty between the King of Siam and the East India Company.

COPY of a TREATY between the King of *Siam* and the *East India Company*.

Art. 1. THE English and Siamese engage in friendship, love, and affection, with mutual truth, sincerity, and candour. The Siamese must not meditate or commit evil so as to molest the English in any manner; the English must not meditate or commit evil so as to molest the Siamese in any manner. The Siamese must not go and molest, attack, disturb, seize, or take any place, territory, or boundary, belonging to the English, in any country subject to the English; the English must not go and molest, attack, disturb, seize, or take any place, territory, or boundary belonging to the Siamese, in any country subject to the Siamese.

The Siamese shall settle every matter within the Siamese boundaries according to their own will and customs.

Art. 2. Should any place or country, subject to the English, do anything that may offend the Siamese, the Siamese shall not go and injure such place and country, but first report the matter to the English, who will examine into it with truth and sincerity; and if the fault lie with the English, the English shall punish according to the fault. Should any place or country, subject to the Siamese, do anything that may offend the English, the English shall not go and injure such place or country, but first report the matter to the Siamese, who will examine into it with truth and sincerity; and if the fault lie with the Siamese, the Siamese shall punish according to the fault.

Should any Siamese place or country, that is near an English country, collect at any time an army or a fleet of boats, if the chief of the English country inquire the object of such force, the chief of the Siamese country must declare it. Should any English place or country, that is near a Siamese country, collect at any time an army or a fleet of boats, if the chief of the Siamese country inquire the object of such force, the chief of the English country must declare it.

Art. 3. In places and countries belonging to the Siamese and English, lying near their mutual borders, whether to the east, west, north, or south, if the English entertain a doubt as to any boundary that has not been ascertained, the chief on the side of the English must send a letter, with some men and people from his frontier posts, to go and inquire from the nearest Siamese chief, who shall depute some of his officers and people from his frontier posts, to go with the men belonging to the English chief, and point out and settle the mutual boundaries, so that they may be ascertained on both sides in a friendly manner. If a Siamese chief entertain a doubt as to any boundary that has not been ascertained, the chief on the side of the Siamese must send a letter, with some men and people from his frontier posts, to go and inquire from the nearest English chief who shall depute some of his officers and people from his frontier posts, to go with the men belonging to the Siamese chief and point out and settle the mutual boundaries, so that they may be ascertained on both sides in a friendly manner.

Art. 4. Should any Siamese subject go and live within the boundaries of the English, the Siamese must not intrude, enter, seize, or take such person within the English boundaries, but must report and ask for him in a proper manner, and the English shall be at liberty to deliver the party or not. Should any English subject remove, and go and live within the boundaries of the Siamese, the English must not intrude, enter, seize, or take such person within the Siamese boundaries, but must report and ask for him in a proper manner, and the Siamese shall be at liberty to deliver the party or not.

Art. 5. The English and Siamese having concluded a treaty, establishing a sincere friendship between them, merchants, subjects to the English, and their ships, junks, and boats, may have intercourse and trade with any Siamese country which has much merchandize, and the Siamese will aid and protect them, and permit them to buy and sell with facility. Merchants, subject to the Siamese, and their boats, junks, and ships, may have intercourse and trade with any English country, and the English will aid and protect them, and permit them to buy and sell with facility.

The Siamese desiring to go to an English country, or the English desiring to go a Siamese country, must conform to the customs of the place or country on either side; should they be ignorant of the customs, the Siamese or English officers must explain them. Siamese subjects who visit an English country must conduct themselves according to the established laws of the English country in every particular. English subjects who visit a Siamese country must conduct themselves according to the established laws of the Siamese country in every particular.

Art. 6. Merchants, subject to the Siamese or English, going to trade, either in Bengal, or in any country subject to the English, or at Bankok, or in any country subject to the Siamese, must pay the duties upon commerce, according to the customs of the place or country on either side; and such merchants, and the inhabitants of the country, shall be allowed to buy and sell without the intervention of other persons in such countries. Should a Siamese or English merchant have any complaint or suit, he must complain to the officers and governors on either side, and they will examine and settle the same according to the established laws of the place or country on either side.

If a Siamese or English merchant buy or sell without inquiring and ascertaining whether the seller or buyer be of bad or good character, and if he meet with a bad man who takes the property and absconds, the rulers and officers must make search and produce the person of the absconder and investigate the matter with sincerity. If the party possess money or

property

property he can be made to pay; but if they do not possess any, or if they cannot be apprehended, it will be the merchant's own fault.

Art. 7. A merchant, subject to the Siamese or English, going to trade in any English or Siamese country, and applying to build godowns and houses, or to buy or hire shops or houses in which to place his merchandize, the Siamese or English officers and rulers shall be at liberty to deny him permission to stay. If they permit him to stay, he shall land and take up his residence according to such terms as may be mutually agreed on; and the Siamese or English officers and rulers will assist and take proper care of him, preventing the inhabitants of the country from oppressing him, and preventing him from oppressing the inhabitants of the country.

Whenever a Siamese or English merchant or subject, who has nothing to detain him, requests permission to leave the country and to embark with his property on board of any vessel, he shall be allowed to do so with facility.

Art. 8. If a merchant desire to go and trade in any place or country, belonging to the English or Siamese, and his ship, boat, or junk, meet with any injury whatever, the English or Siamese officers shall afford adequate assistance and protection; should any vessel belonging to the Siamese or English be wrecked in any place or country where the English or Siamese may collect any of the property belonging to such vessel, the English or Siamese officers shall make proper inquiry and cause the property to be restored to its owner, or in case of his death, to his heirs, &c.; the owner or heir will give a proper remuneration to persons who may have collected the property. If any Siamese or English subject die in any English or Siamese country, whatever property he may leave shall be delivered to his heir; if the heir be not living in the same country and unable to come, he may appoint a person, by letter, to receive the property, and the whole of it shall be delivered to such person.

Art. 9. Merchants, subject to the English, desiring to come and trade in any Siamese country, with which it has not been the custom to have trade and intercourse, must first go and inquire of the governor of the country; should any counrty have no merchandize, the governor shall inform the ship that has come to trade, that there is none.

Should any country have merchandize sufficient for a ship, the governor shall allow her to come and trade.

Art. 10. The English and Siamese mutually agree that there shall be an unrestricted trade between them, in the English countries of Prince of Wales Island, Malacca, and Singapore, and the Siamese countries of Ligore, Merdilous, Singora, Patani, Junkceylor, Quedah, and other Siamese provinces.

Asiatic merchants of the English countries, not being Burmese Peguers, or descendants of Europeans, shall be allowed to trade freely, overland and by means of rivers.

Asiatic merchants, not being Burmese Peguers, or descendants of Europeans, desiring to enter into and trade with the Siamese dominions, from the countries of Mergui, Tavay, Tenasserim, and Ye, which are now subject to the English, will be allowed to do so freely, overland and by water, upon the English furnishing them with certificates.

But merchants are forbidden to bring opium, which is positively a contraband article in the territories of Siam; and should a merchant introduce any, the governor shall seize him and destroy the whole of it.

Art. 11. If any Englishman desire to transmit a letter to any person in a Siamese or other country, such person only, and no other, shall open and look into the letter.

Art. 12. Siam shall not go and obstruct or interrupt commerce in the states of Tringanu and Calantan; English merchants and subjects shall have trade and intercourse, in future, with the same facility and freedom as they have heretofore had, and the English shall not go and molest, attack, or disturb those states upon any pretence whatever.

Art. 13. The Siamese engage to the English, that the Siamese shall remain in Quedah, and take proper care of that country and of its people. The inhabitants of Prince of Wales Island and of Quedah shall have trade and intercourse as heretofore; the Siamese shall levy no duty upon stock and provisions, such as cattle, buffaloes, poultry, fish, paddy, and rice, which the inhabitants of Prince of Wales Island, or ships there may have occasion to purchase in Quedah, but shall levy fair and proper import and export duties.

The Siamese further engage, that when Chow Phya, of Ligore, returns from Bankok, he shall release the slaves, personal servants, family and kindred, belonging to the former governor of Quedah, and permit them to go and live wherever they please.

The English engage to the Siamese that the English do not desire to take possession of Quedah; that they will not attack or disturb it, nor permit the former governor of Quedah, or any of his followers, to attack, disturb, or injure, in any manner, the territory of Quedah, or any other territory subject to Siam.

The English engage that they will make arrangements for the former governor of Quedah to go and live in some other country, and not at Prince of Wales Island, or Praye, or in Perack, Salangore, or any Burmese country. If the English do not let the former governor of Quedah go and live in some other country, as here engaged, the Siamese may continue to levy an export duty upon paddy and rice in Quedah. The English will not prevent any Siamese, Chinese, or other Asiatics at Prince of Wales Island, from going to reside in Quedah, if they desire it.

Art. 14. The Siamese and English mutually engage, that the Raja of Perak shall govern his country according to his own will; should he desire to send the gold and silver flowers to Siam, as heretofore, the English will not prevent his doing as he may desire.

Appendix, No. 3.

Treaty between the King of Siam and the East India Company.

If Chow Phya, of Ligore, desires to send down to Perak, with friendly intentions, 40 or 50 men, whether Siamese, Chinese, or other Asiatic subjects of Siam, or if the Raja of Perak desires to send any of his ministers or officers to seek Chow Phya, of Ligore, the English shall not forbid them.

The Siamese or English shall not send any force to go and molest, attack, or disturb Perak. The English will not the state of Salangore to attack or disturb Perak; and the Siamese will not go and attack or disturb Salangore.

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AGREEMENT with regard to English Vessels desiring to trade at Bankok.

Art. 1. Vessels belonging to the subjects of the English Government, whether Europeans or Asiatics, desiring to come and trade at Bankok, must conform to the established laws of Siam in every particular.

Merchants coming to Bankok are prohibited from purchasing paddy or rice for the purpose of exporting the same as merchandize, and if they import fire-arms, shot, or gunpowder, they are prohibited from selling them to any party but to the Government.

Should the Government not require such fire-arms, shot, or gunpowder, the merchants must re-export the whole of them. With exception of such warlike stores, and paddy, and rice, merchants, subjects of the English, and merchants at Bankok, may buy and sell without the intervention of any person, and with freedom and facility. Merchants coming to trade shall pay, at once, the whole of the duties and charges consolidated according to the breadth of the vessel.

If the vessel bring an import cargo, she shall be charged 1,700 ticols for each Siamese fathom in breadth.

If the vessel bring no import cargo, she shall be charged 1,500 ticols for each Siamese fathom in breadth.

No import, export, or other duty shall be charged upon the buyers or sellers, from or to English subjects.

Art. 2. Merchant vessels, the property of English subjects, arriving off the bar, must first anchor and stop there; and the commander of the vessel must dispatch a person with an account of the cargo, and a return of the people, guns, shot, and powder on board the vessel, for the information of the government at the mouth of the river, who will send a pilot and interpreter to convey the established regulations to the commander of the vessel.

Upon the pilot bringing the vessel over the bar, she must anchor and stop below the chokey, which the interpreter will point out.

Art. 3. The proper officer will go on board the vessel and examine her thoroughly; and after the guns, shot, and powder have been removed and deposited at Paknam, the governor of Paknam will permit the vessel to pass up to Bankok.

Art. 4. Upon the vessel's arrival at Bankok, the officers of the customs will go on board and examine her, open the hold, and take an account of whatever cargo may be on board; and after the breadth of the vessel has been measured and ascertained, the merchants will be allowed to buy and sell according to the first article of this agreement.

Should a vessel upon receiving an export cargo find that she cannot cross the bar with the whole, and that she must hire cargo-boats to take down a portion of the cargo, the officers of the customs and chokeys shall not charge any further duty upon such cargo-boats.

Art. 5. Whenever a vessel or cargo-boat completes her lading, the commander of the vessel must go and ask Chow Phya Phra Khlang for a port clearance; and if there be no cause for detention, Chow Phya Phra Khlang shall deliver the port clearance without delay. When the vessel upon her departure arrives at Paknam, she must anchor and stop at the usual chokey; and after the proper officers have gone on board and examined her, the vessel may receive her guns, shot, and powder, and take her departure.

Art. 6. Merchants being subjects of the English Government, whether Europeans or Asiatics, the commanders, officers, lascars, and the whole of the crews of the vessels, must conform to the established laws of Siam and to the stipulations of the treaty in every particular. If merchants of every class do not observe the articles of this treaty, and oppress the inhabitants of this country, become thieves or bad men, kill men, speak offensively of, or treat disrespectfully any great or subordinate officers of the country, and the case become important in any way whatever, the proper officer shall take jurisdiction of it and punish the offender. If the offence be homicide, and the officers, upon investigation, see that it proceeded from evil intention, they shall punish with death. If it be any other offence, and the party be commander or officer of a vessel, or a merchant, he shall be fined; if he be of a lower rank, he shall be whipped or imprisoned, according to the established laws of Siam.

The governor of Bengal will prohibit English subjects, desiring to come and trade at Bankok, speaking disrespectfully, or offensively, to or of the great officers of Siam. If any person at Bankok oppress any English subjects, he shall be punished according to the offence in the same manner.

(5 *a.*)



Treaty between the King of Siam and the United States of America.

COPY of a TREATY of Amity and Commerce between His Majesty the Magnificent King of *Siam* and the United States of *America*, concluded the 20th March 1833.

Art. 1.—THERE shall be a perpetual peace between the United States of America and the magnificent King of Siam.

Art. 2.—The citizens of the United States have free liberty to enter all the ports of the King of Siam with their cargoes, of whatever kind the said cargoes may consist; and they shall have liberty to sell the same to any of the subjects of the King, or others who may wish to purchase the same, or barter the same for any produce or manufacture of the kingdom, or other articles that may be found there.

No price shall be fixed by the officers of the King on the articles to be sold by the merchants of the United States, or the merchandise they may wish to buy; but the trade shall be free on both sides, to sell, buy, or exchange, on the terms and for the prices the owners may think fit.

Whenever the said citizens of the United States shall be ready to depart, they shall be at liberty so to do, and the proper officer shall furnish them with passports, provided always there be no legal impediment to the contrary.

Nothing contained in this article shall be understood as granting permission to import and sell munitions of war to any person excepting the King, who, if he does not require, will not be bound to purchase them; neither is permission granted to import opium, which is contraband; or to export rice, which cannot be embarked as an article of commerce. These only are prohibited.

Art. 3.—Vessels of the United States entering any port within his Majesty's dominions, and selling or purchasing cargoes of merchandise, shall pay, in lieu of import and export duties, tonnage licence, or trade, or any other charge whatever, a measurement duty, as follows:—The measurement shall be made from side to side, in the middle of the vessel's length, and if a single-decked vessel, on such single deck; if otherwise, on the lower deck.

On every vessel selling merchandise the sum of 1,700 ticols or bats shall be paid for every Siamese fathom in breadth so measured, the said fathom being computed to contain 78 English or American inches, corresponding to 96 Siamese inches; but if the said vessel should come without merchandise, and purchase a cargo with specie only, she shall then pay the sum of 1,500 ticols or bats for each and every fathom before described.

Furthermore, neither the aforesaid measurement duty, nor any other charge whatever, shall be paid by any vessel of the United States that enter a Siamese port for the purpose of refitting, or for refreshments, or to inquire the state of the markets.

Art. 4.—If any vessels of the United States shall suffer shipwreck in any part of the King of Siam's dominions, the persons escaping from the wreck shall be taken care of, and hospitably entertained, at the expense of the King, until they shall find an opportunity to return to their country, and the property saved from the wreck shall be carefully preserved and restored to its owners; and the United States will repay all expenses incurred by his Majesty on account of such wreck.

Art. 6.—If any citizen of the United States, coming to Siam for the purpose of trade, shall contract debts to any individual of Siam, or if any individual of Siam shall contract debts to any citizen of the United States, the debtor shall be obliged to bring forward and sell all his goods to pay his debts therewith.

When the products of such *bonâ fide* sale shall not suffice, he shall be no longer liable for the remainder, nor shall the creditor be able to retain him as a slave in prison, flog, or otherwise punish him, to compel the payment of any balance, but shall leave him at perfect liberty.

Art. 7.—Merchants of the United States coming to trade in the kingdom of Siam, and wishing to rent houses therein, shall rent the King's factories, and pay the customary rents of the country. If the said merchants bring their goods on shore the King's officers shall take account thereof, but shall not levy any duty thereupon.

Art. 8.—If any citizen of the United States, or their vessels or other property shall be taken by pirates, and brought within the dominions of the Magnificent King, their persons shall be set at liberty and their property restored to its owners.

Art. 9.—Merchants of the United States trading to the kingdom of Siam shall respect and follow the laws and customs of the country in all ports.

If hereafter any foreign nation, other than the Portuguese, shall request and obtain his Majesty's consent to the appointment of consuls to reside in Siam, the United States shall be at liberty to appoint consuls to reside in Siam equally with such other foreign nations.

## TRADE BETWEEN SIGNAPORE AND CHINA,

STATEMENT of the IMPORTS from *China*, from 1834-35 to 1843-44 inclusive.

| | 1834-35. | | 1835-36. | | 1836-37. | | 1837-38. | | 1838-39. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| Alum | 20 piculs | 20 | 10 piculs | 20 | 144 piculs | 340 | 200 piculs | 650 | 620 piculs | 1,232 |
| Anchors and Chain Cables. | 9 chain cables | 1,717 | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Brass Ware | - - - | 118 | - - - | 235 | - - - | 1,140 | - - - | 1,144 | - - - | 2,205 |
| China Camphor | 238 piculs | 7,890 | 235 piculs | 5,640 | - - - | - - | 604 piculs | 20,030 | 268 piculs | 8,199 |
| Canvas | 204 bolts | 1,632 | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Cassia | 11,092 piculs | 130,004 | 3,436 piculs | 39,604 | 3,163 piculs | 33,318 | 475 piculs | 4,823 | 2,717 piculs | 27,098 |
| China Crockery | - - - | 83,386 | - - - | 101,683 | - - - | 116,654 | - - - | 120,298 | - - - | 169,333 |
| Copper Sheathing | 64 piculs | 2,709 | - - - | - - | 28 piculs | 616 | 57 piculs | 1,596 | 29 piculs | 754 |
| Copper, Peruvian | - - - | - - | - - 150 piculs and 9 boxes. | 4,503 | 3½ „ | 78 | — | — | — | — |
| Copper Ore | - - - | - - | - - - | - - | - - - | 1,370 | - - - | 1,624 | - - - | 2,848 |
| Cordage | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Cotton | 50 piculs | 1,500 | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Cotton Twist | 2 „ | 169 | 30 piculs | 2,700 | 825 piculs | 41,977 | 423 piculs | 19,836 | 51 piculs | 2,745 |
| Gold Dust | - - - | - - | - - - | - - | - - 1,199 tales, 36 catties. | 28,184 | - - - | - - | - - - | - - |
| Gold Thread, Europe | 96 catties | 3,895 | 10 catties | 600 | — | — | — | — | — | — |
| Ditto - - China | - - - | 5,409 | - - - | 11,016 | - - - | 11,470 | - - - | 16,157 | - - - | 2,700 |
| Hardware | - - - | 560 | - - - | 1,386 | - - - | 20 | - - - | - - | - - - | 1,060 |
| Hides | - - - | - - | 6 piculs | 20 | 30 piculs | 210 | — | — | — | — |
| Iron and Steel | - - 840 piculs and 120 tubs steel. | 3,480 | - - - | - - | - - 420 piculs and 1 box steel. | 1,970 | - - - | - - | - - - | - - |
| Indigo | - - - | - - | - - - | - - | 1 picul | 20 | - - - | - - | - - - | - - |
| Mother o'Pearl Shell | - - - | - - | - - - | - - | 200 piculs | 2,400 | — | — | — | — |
| Oils: | | | | | | | | | | |
| Spice Oils | - - - | - - | - - - | - - | - - 90 cases and 7 casks, 50 bhds. and 9 tons. | 4,733 | - - - | - - | - - - | - - |
| Other kinds | 3 piculs | 600 | - - - | - - | - - - | - - | - - - | 130 | - - - | 536 |
| Opium: | | | | | | | | | | |
| Banares | 3 $\frac{33}{40}$ chests | 2,248 | - - - | - - | - - - | - - | - - - | - - | 31 ¼ chests | - - |
| Patna | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | 21,845 |
| Turkey | - - - | - - | 6 piculs | 3,543 | - - - | - - | - - - | - - | 16 chests | — |
| Paints and Oils | - - - | 776 | - - - | 2,510 | 113 piculs | 4,195 | - - - | 240 | - - - | 375 |
| Piece Goods: | | | | | | | | | | |
| British | 230 pieces | 1,600 | 111 pieces | 758 | 78 corges | 5,825 | - - - | - - | - - - | - - |
| China Silks and Cottons. | - - 41 cases, 9 doz. and 700 pieces. | 14,978 | - - 30 boxes, 5,852 pieces, and 450 yds. | 19,458 | - - 100 corges, 24 boxes, and 30 doz. | 23,965 | - 3,850 corges and 9 cases. | 30,415 | - - 8 cases and 720 corges. | 14,016 |
| Nankeens | 1,985 corges | 26,800 | 601 boxes | 25,715 | - - 1,155 packages and 10 corges. | 47,196 | 3,275 corges | 24,203 | - - - | - - |
| Provisions: | | | | | | | | | | |
| Beef | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Pork | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Raw Silk | 347 piculs | 123,701 | - - 180 piculs, 159 chests, 1 bale. | 113,942 | - - 99 piculs, 226 chests, and 175 bales. | 132,651 | 394 piculs | 135,800 | 326 piculs | 118,325 |
| Salt | 1,280 piculs | 720 | 1,280 piculs | 670 | - - - | - - | 2,520 „ | 1,580 | 4,140 „ | 1,575 |
| Segars | 1,908 boxes | 12,402 | 33 boxes | 165 | - - - | - - | 156,000 in No. | 936 | - - - | - - |
| Sugar | 1,030 piculs | 4,120 | - - - | - - | 158 packages and 631 piculs. | 3,746 | - - - | - - | 2,100 piculs | 9,250 |
| Sugar Candy | 128 „ | 1,511 | 110 piculs | 1,519 | - - 1,057 piculs and 1,096 tubs. | 15,824 | - - 59 piculs and 54 tubs. | 779 | 38 „ | 421 |
| Spirits: | | | | | | | | | | |
| Brandy | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Rum | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Arrack | - - - | - - | - - - | - - | - - - | - - | - - - | - - | 250 gallons | 70 |
| Other kinds | - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | - - |
| Tea | 3,392 lbs. | 134,021 | - - 2,167 boxes and 1,365 piculs. | 57,509 | - - 357 piculs & 2,595 boxes. | 28,737 | - 1,215 piculs & 795 packages. | 49,244 | - - 1,714 piculs and 626 boxes. | 49,811 |
| Tobacco | 1,253 lbs. | 26,306 | - - 881 piculs, 1,291 baskets, and 42 boxes. | 47,239 | - - 446 piculs, & 2,552 boxes and baskets. | 39,348 | - - 542 piculs and 307 cases and baskets. | 12,011 | - - 146 piculs and 516 boxes. | 7,122 |
| Tortoise Shell | - - - | - - | - - - | - - | - - - | - - | - - - | - - | 5 piculs | 5,125 |
| Woollens | 6 pieces | 95 | 20 pieces | 193 | 105 pieces | 5,133 | 79 pieces | 1,803 | - - - | - - |
| Specie | - - - | 25,427 | - - - | 138,924 | - - - | 74,473 | - - - | 12,716 | - - - | 23,991 |
| Sycee Silver | - - - | 786 | - - - | 2,000 | - - - | 36,308 | - - - | 19,130 | - - - | - - |
| Copper Cash | - - - | 3,000 | - - - | - - | - - - | 300 | - - - | 2,350 | - - - | 7,005 |
| Cowries | — | — | — | — | — | — | — | — | — | — |
| All other Articles | - - - | 145,376 | - - - | 154,018 | - - - | 128,534 | - - - | 181,777 | - - - | 158,503 |
| TOTAL Spanish Dollars | - - - | 766,956 | - - - | 735,570 | - - - | 790,735 | - - - | 659,272 | - - - | 687,614 |

EXPLANATORY NOTE:

A picul is equivalent to 133 ⅓ lbs. avoirdupois; a coyan is equivalent to 40 piculs; a corge of tobacco is 40 baskets, or about 10 piculs.

## FOR TEN YEARS; QUANTITIES AND VALUES.

STATEMENT of the IMPORTS from *China*, from 1834–35 to 1843–44 inclusive.

| 1839–40. | | 1840–41. | | 1841–42. | | 1842–43. | | 1843–44. | |
|---|---|---|---|---|---|---|---|---|---|
| Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| 880 piculs | 1,163 | 2,940 piculs | 7,530 | 3,670 piculs | 7,802 | 11,676 piculs | 19,382 | 11,940 piculs | 21,426 |
| 12 anchors | 287 | — | — | — | — | — | — | 28 anchors and 19 chain cables. | 2,615 |
| — | 4,685 | — | 2,120 | — | 6,913 | — | 7,340 | — | 1,750 |
| 596 piculs | 20,762 | 283 piculs | 11,138 | 1,067 piculs | 39,795 | 2,185 piculs | 62,972 | 3,569 piculs | 12,896 |
| — | — | — | — | 72 bolts | 1,080 | 96 bolts | 1,152 | 214 bolts | 1,597 |
| 2,113 piculs | 23,658 | 335 piculs | 40,867 | 6,084 piculs | 76,602 | 11,696 piculs | 123,549 | 4,669 piculs | 54,148 |
| — | 170,330 | — | 174,411 | — | 155,738 | — | 174,634 | — | 176,970 |
| — | — | — | — | — | — | 126 piculs | 6,242 | 26 piculs | 572 |
| — | — | — | — | — | — | — | — | — | — |
| — | 2,815 | — | 760 | — | — | — | — | — | 200 |
| — | — | — | — | — | — | 104 piculs | 1,144 | 243 piculs | 1,924 |
| 1,042 bales and 100 piculs. | 31,810 | 31 bales | 775 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | 30 buncals | 900 | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 3,233 | — | 3,350 | — | 3,865 | — | 5,090 | — | 14,465 |
| — | 3,095 | — | 19,685 | — | 5,218 | — | 4,618 | — | 6,023 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | 911 tubs | 5,466 |
| 2 piculs | 100 | 146 piculs | 1,165 | 18 piculs | 460 | 322 piculs | 1,440 | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | 34 cases and 197 piculs. | 4,263 | 2 cases and 160 piculs. | 4,690 | — | — | — | — |
| — | 250 | — | — | — | 4,046 | — | 855 | — | — |
| 53½ chests | 15,600 | — | — | — | — | 23 chests | 18,395 | — | — |
| — | — | — | — | — | — | 25 „ | | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 6,560 | — | 4,491 | — | — | — | 6,491 | — | 7,567 |
| 5,487 pieces | 22,953 | 50 pieces | 200 | — | — | — | — | 1,496 pieces and 686 dozen. | 9,548 |
| 317 corges and 3 boxes. | 14,923 | 339 corges and 668 boxes. | 108,335 | 9,276 pieces and 31 cases. | 95,873 | 3,476 pieces and 26 cases. | 54,471 | 185 corges and 9 cases. | 34,445 |
| — | — | 4,398 corges | — | 3,700 corges | — | 3,748 cases | — | 1,495 corges | — |
| — | — | — | — | 8,400 lbs. | 552 | — | — | — | — |
| — | — | — | — | 2,400 „ | — | 61 casks | 1,045 | — | — |
| 171 piculs | 58,705 | 991 piculs | 371,017 | 1,095 piculs | 301,908 | 253 piculs | 64,985 | 274 piculs | 73,930 |
| 9,420 „ | 3,131 | 3,430 „ | 1,361 | 1,800 „ | 720 | 8,420 „ | 3,647 | 2,932 „ | 1,132 |
| — | — | 279,500 in No. | 2,166 | 200,000 in No. | 1,550 | 448,500 in No. | 4,726 | — | — |
| 200 piculs | 1,110 | 3,295 piculs | 15,522 | 5,423 piculs | 27,714 | 5,889 piculs | 23,111 | 730 piculs | 2,977 |
| 399 „ | 5,703 | 1,432 „ | 13,955 | 888 „ | 7,022 | 621 „ | 6,216 | 852 „ | 7,539 |
| — | — | — | — | — | — | — | — | 277 dozen | 1,943 |
| — | — | — | — | — | — | — | — | 39 „ | |
| — | — | — | — | — | — | — | — | 80 gallons | |
| — | — | — | — | — | — | — | — | 3,040 „ | |
| 17,796 boxes and 1,909 piculs. | 199,115 | 20,633 boxes and 4,205 piculs. | 453,487 | 45,405 boxes and 3,929 piculs. | 466,936 | 74,205 boxes and 6,335 piculs. | 675,964 | 110,828 boxes and 5,039 piculs. | 504,077 |
| 1,379 baskets and 210 boxes. | 29,176 | 5,018 baskets | 89,831 | 1,718 baskets | 21,340 | 2,746 baskets and 11 piculs. | 32,804 | 1,615 baskets. | 15,616 |
| 5 piculs | 5,000 | — | — | — | — | 2¾ piculs | 1,141 | — | — |
| 131 pieces | 2,770 | 2,150 pieces | 22,500 | 10 pieces | 180 | — | — | — | — |
| — | 244,475 | — | 500,953 | — | 422,966 | — | 330,961 | — | 620,709 |
| — | — | — | 12,550 | — | 36,695 | — | 125,113 | — | 101,152 |
| — | 7,098 | — | 15,659 | — | 10,100 | — | 24,421 | — | 37,801 |
| — | — | — | — | — | — | — | — | — | — |
| — | 192,413 | — | 262,413 | — | 246,639 | — | 208,981 | — | 245,745 |
| — | 1,109,264 | — | 2,142,504 | — | 1,947,304 | — | 1,990,810 | — | 2,073,233 |

EXPLANATORY NOTE:

A corge of cloth is 20 pieces; a buncal of gold is equal to 832 grains troy.

## (6.)—Trade between Singapore and China—*continued.*

STATEMENT of the Exports to *China*, from 1834-35 to 1843-44, inclusive.

| | 1834-35. | | 1835-36. | | 1836-37. | | 1837-38. | | 1838-39. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| Arms: | | | | | | | | | | |
| Muskets | - | - | - | - | 20 in number | 50 | - | - | 460 in number | - |
| Rifles | - | - | - | - | - | - | - | - | 2 „ | - |
| Iron Guns | - | - | - | - | - | - | - | - | 17 „ | - |
| Fowling Pieces | - | - | - | - | - | - | - | - | - | - |
| Swivels | - | - | - | - | - | - | - | - | 13 in number | 3,741 |
| Pistols | - | - | - | - | - | - | - | - | 2 „ | - |
| Air Guns | - | - | - | - | - | - | - | - | - | - |
| Cutlasses | - | - | - | - | - | - | - | - | - | - |
| Pikes and Spears | - | - | - | - | - | - | - | - | 186 in number | - |
| Birds' Feathers and Skins. | 400 in number | 40 | 7,000 in number | 400 | 1,300 in number | 150 | 10,500 in number | 1,417 | 18,000 „ | 3,600 |
| Beeche de Mer | 4,649 piculs | 91,453 | 4,164 piculs | 74,723 | 3,990 piculs | 746,41 | 4,283 piculs | 80,363 | 5,731 piculs | 64,917 |
| Bees' Wax | 206 „ | 4,567 | - | - | - | - | - | - | - | - |
| Benjamin | - | - | - | - | 40 piculs | 400 | 7 piculs | 70 | - | - |
| Beer, Wines, and Spirits: | | | | | | | | | | |
| Beer | 29 hogsheads, and 44 dozen. | 1,052 | - | - | 160 dozen | 480 | 360 dozen and 10 casks. | 1,160 | 60 dozen | 120 |
| Wines | 196 dozen, 3 pipes, 4 hogsheads, and 19 quarter-casks. | 3,314 | 28 dozen | 456 | 140 „ | 720 | 1,080 gallons | 1,620 | 74 „ | 660 |
| Brandy | 881 gallons | 1,322 | 330 gallons and 8 dozen. | 370 | - | - | 100 dozen | 738 | 11 dozen and 150 gallons. | 227 |
| Gin | 200 cases | - | - | - | 416 cases 50 doz. | 1,551 | 68 cases | - | - | - |
| Arrack | 250 gallons | 100 | - | - | - | - | - | - | 400 gallons | 300 |
| Birds' nests | 183 piculs | 106,776 | 277 piculs | 162,852 | 330 piculs | 191,177 | 311 piculs and 6 cases. | 191,769 | 369 piculs | 144,360 |
| Betlenut | 9,781 „ | 20,752 | 21,729 „ | 44,962 | 25,362 „ | 51,427 | 12,184 piculs | 26,908 | 11,880 piculs | 24,674 |
| Camphor (Malay) | 9 16/100 „ | 19,668 | 10 41/100 „ | 16,155 | 901 catties | 16,158 | 789 catties | 16,290 | 7 „ | 11,152 |
| Coffee | 3 „ | 30 | - | - | - | - | - | - | - | - |
| Cotton | 1,001 „ | 9,090 | 2,185 piculs | 16,496 | 2,464 piculs and 160 bales. | 37,621 | 1,382 piculs | 15,609 | 2,905 piculs and 180 bales. | 19,290 |
| Cotton Twist | 552 „ | 27,457 | 369 „ | 18,100 | 149 piculs | 7,447 | 282 „ | 15,940 | 114 piculs | 5,520 |
| Cotton Piece Goods: | | | | | | | | | | |
| British | 18,072 pieces, 676 dozen, 3 corges, 76 bales, 13 cases. | 108,618 | 8,265 pieces and 800 yards. | 20,796 | 408 corges and 480 dozen. | 29,167 | 6,449 pieces and 80 dozen. | 71,044 | 19,558 pieces | 95,239 |
| Indian | - | - | - | - | 58 corges | 2,370 | 30 corges, 12 cases, 51 trunks. | 36,322 | 17 corges | 550 |
| Cutch | - | - | - | - | - | - | - | - | - | - |
| Dragon's-blood | 22 piculs | 720 | 18 piculs | 288 | 17 ¼ piculs | 181 | 76 piculs | 128 | 4 piculs | 120 |
| Ebony | 7,650 „ | 26,100 | 10,660 „ | 33,199 | 17,942 „ | 53,968 | 21,167 piculs | 52,053 | 25,600 piculs | 36,860 |
| Earthenware | - | 153 | - | 50 | - | 150 | - | - | - | - |
| Flint Stones | - | - | - | - | - | - | - | - | - | - |
| Fish Maws and Sharks' Fins. | - | - | - | - | - | - | - | - | - | - |
| Gambier | 1,622 piculs | 3,689 | 1,095 piculs | 1,902 | 5 piculs | 7 | 1,010 piculs | 3,273 | 227 piculs | 486 |
| Gold Dust | - | - | 70 buncals | 2,100 | - | - | - | - | 50 buncals | 1,400 |
| Gunpowder | - | - | - | - | - | - | - | - | - | - |
| Glassware | - | 1,666 | 56 casks | 2,760 | - | 338 | - | - | - | 70 |
| Hardware | - | 3,188 | - | - | - | 450 | - | 186 | - | 40 |
| Hides | 544 piculs | 3,800 | 200 piculs | 800 | 534 piculs | 2,573 | 937 piculs and 480 dozen rabbit-skins. | 3,763 | 1,693 piculs | 6,388 |
| Indigo | - | - | - | - | - | - | - | - | 300 „ | 1,200 |
| Ivory | 8 ½ piculs | 720 | 25 catties | 32 | 8 ½ piculs | 743 | 24 piculs | 3,346 | 32 ¼ „ | 3,117 |
| Iron and Steel | 40 piculs iron, and 188 kegs steel. | 1,040 | 2,054 piculs | 5,862 | - | - | - | - | 200 „ | 600 |
| Lead | 20 piculs | 100 | - | - | - | - | 168 piculs | 1,302 | 220 „ | 1,550 |
| Marine Stores: | | | | | | | | | | |
| Anchors and Chain Cables. | - | - | - | - | 2 chains | 140 | 2 anchors | 282 | 2 chains and 2 anchors. | 1,311 |
| Canvas | 60 bolts | 600 | 140 bolts | 1,120 | 262 bolts | 2,468 | 150 bolts | 1,620 | 169 bolts | 1,676 |
| Copper Sheathing | - | - | - | - | - | - | 59 piculs | 2,076 | 152 piculs | 5,351 |
| Cordage | 343 piculs | 1,439 | 130 piculs | 795 | - | - | 182 piculs | 1,275 | 104 „ | 450 |
| Tar and Pitch | - | - | - | - | - | - | - | - | - | - |
| Oil | - | 36 | - | - | - | - | - | - | - | - |

(6.)—TRADE BETWEEN SINGAPORE AND CHINA—*continued.*

STATEMENT of the EXPORTS to *China*, from 1834-35 to 1843-44, inclusive.

| 1839-40. | | 1840-41. | | 1841-42. | | 1842-43. | | 1843-44. | |
|---|---|---|---|---|---|---|---|---|---|
| Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| - - - | - - | - - - | - - | 900 in number - | - - | 500 in number - | - - | 2,015 in number | |
| 38 in number | - - | - - - | - - | 50 „ - | - - | - - - | - - | - - - | |
| 26 „ - | - - | 30 in number - | - - | 102 „ - | - - | 38 in number - | - - | 202 in number - | |
| - - - | - - | 33 „ - | - - | - - - | - - | 529 „ - | - - | 235 „ - | |
| - - - | 1,870 | - - - | 1,078 | - - - | 7,185 | - - - | 7,941 | - - - | 15,342 |
| - - - | - - | - - - | - - | - - - | - - | - - - | - - | - - - | |
| - - - | - - | - - - | - - | - - - | - - | - - - | - - | 12 in number - | |
| - - - | - - | 1 case - - | - - | - - - | - - | - - - | - - | - - - | |
| 70 in number | - - | - - - | - - | - - - | - - | - - - | - - | - - - | |
| 60,000 „ - | 2,310 | — | — | — | — | — | — | — | — |
| 3,906 piculs - | 66,462 | 6,599 piculs - | 127,470 | 3,330 piculs - | 59,575 | 5,070 piculs - | 94,838 | 5,862 piculs - | 89,383 |
| - - - | - - | 32 „ - | 960 | - - - | - - | - - - | - - | 85 „ - | 2,830 |
| - - - | - - | - - - | - - | 1 picul - - | 15 | 2 piculs - - | 30 | 31 „ - | 561 |
| 59 dozen - | 159 | - - 1,446 and 28 hogsheads. | 4,562 | - - 76 hogsheads and 3,974 dozen. | 12,484 | 501 dozen - | 1,152 | - - 2,336 dozen and 55 hogsheads. | 8,008 |
| 50 „ - | 370 | 1,771 dozen - | 10,356 | - - 2,188 dozen, 10 hogsheads, and 41 cases. | 12,509 | 1,521 „ - - | 9,279 | - - 121 dozen and 6 casks. | 1,379 |
| - - - | - - | - - 1,846 gallons and 1,633 dozen. | - - | - - 868 dozen and 286 gallons. | - - | - - 1,911 dozen, 74 boxes, and 4,140 gallons. | - - | - - 150 gallons and 66 dozen. | 857 |
| 95 cases - | 415 | 1,510 cases - | 14,644 | 2,002 cases - | 10,670 | 200 cases - - | 13,902 | 110 dozen - | |
| - - - | - - | 1,282 gallons - | - - | 3,393 gallons - | - - | - - 10,750 gallons, and 22 casks. | - - | 1,760 gallons - | |
| 373 piculs - | 104,990 | 371 piculs - | 150,131 | 359 piculs - | 94,555 | 343 piculs - | 110,299 | 287 piculs - | 149,315 |
| 15,005 piculs | 34,469 | 17,682 piculs - | 32,776 | 3,263 „ - | 6,277 | 20,291 piculs - | 38,864 | 9,385 „ - - | 17,634 |
| 853 catties - | 15,591 | 22 ½ „ - | 44,141 | 9 „ - | 19,290 | 6 ¾ „ - | 12,255 | 20 $\frac{67}{100}$ „ - - | 43,252 |
| - - - | - - | 103 „ - | 1,181 | - - - | - - | 111 „ - | 937 | — | — |
| - - 1,127 bales and 4,614 piculs. | 90,051 | - - 1,673 bales and 2,451 piculs. | 510,371 | - - 10,823 bales and 1,667 piculs. | 347,916 | - - 271,92 bales and 50 piculs. | 624,952 | - - 20,452 bales and 2,292 piculs. | 466,878 |
| 115 piculs - | 2,871 | 1,205 piculs - | 39,759 | 110 piculs - | 6,740 | 1,799 piculs - | 63,889 | 1,349 piculs - | 36,505 |
| - - 4,507 packages, 100 corges, and 53 dozen. | 25,464 | - - 22,785 pieces and 13 dozen. | 97,040 | - - 30,512 pieces, 288 dozen, and 11 cases. | 111,584 | - - 8,828 pieces, 36 corges, 505 yards, 100 dozen, and 1 case. | 233,633 | - - 86,278 pieces, 3 corges, and 2,222 dozen. | 280,103 |
| - - 14 corges and 400 dozen. | 1,182 | - - - | - - | 12 corges - - | 350 | 1 corge - - | 200 | — | — |
| - - - | - - | 2,013 piculs - | 7,977 | 1,507 piculs - | 4,914 | 3,531 piculs - | 9,237 | 125 piculs - | 312 |
| - - - | - - | 50 „ - | 595 | 37 „ - | 576 | 40 „ - | 554 | 7 „ - - | 50 |
| 36,656 piculs | 62,412 | 10,350 „ - | 13,455 | 7,800 „ - | 10,100 | 10,916 „ - | 12,594 | 5,498 „ - - | 7,980 |
| - - - | - - | - - - | - - | - - - | 1,500 | - - - | 118 | - - - | 2,125 |
| - - - | - - | 5,200 piculs - | 3,590 | 4,600 piculs - | 4,160 | 9,038 piculs - | 10,051 | 16,817 piculs - | 14,878 |
| - - - | - - | 1,115 „ - | 31,287 | 344 „ - | 8,293 | 111 „ - | 3,233 | 236 „ - | 5,958 |
| 100 piculs - | 204 | 1,037 „ - | 2,516 | 1,734 „ - | 3,661 | 3,890 „ - | 6,165 | 2,624 „ - | 4,472 |
| — | — | — | — | — | — | — | — | — | — |
| 12 piculs - | 54 | 50 kegs 14 piculs | 708 | - - - | - - | 25 piculs - - | 280 | 88 piculs - - | 650 |
| - - - | 30 | - - - | 116 | - - - | 2,051 | - - - | 5,838 | - - - | 7,460 |
| - - - | - - | - - - | 62 | - - - | 4,786 | - - - | 5,583 | - - - | 579 |
| 417 piculs - | 2,306 | - - 2,200 in number and 570 piculs. | 2,062 | 332 piculs - | 2,036 | 52 piculs - | 178 | - - 6 bundles and 352 piculs. | 2,169 |
| — | — | — | — | — | — | — | — | — | — |
| 18 ½ piculs - | 2,130 | 5 piculs - - | 608 | 32 piculs - - | 3,405 | 16 ¾ piculs - | 1,979 | 42 piculs - - | 3,770 |
| 200 „ - | 900 | 2,942 piculs - | 11,506 | 1,912 piculs - | 6,158 | - - 10,914 piculs and 40 kegs steel. | 27,842 | - - 4,314 piculs and 60 cases. | 12,175 |
| 80 „ - | 560 | 2,285 „ - | 15,933 | 1,560 „ - | 11,497 | 1,628 piculs - | 9,678 | 891 piculs - | 4,892 |
| - - - | - - | - - 5 anchors, 4 chains, and 54 cwt. of chain. | 432 | - - 35 anchors 31 chain cables. | 4,380 | - - 3 chains, 6 anchors, and 8 grapnels. | 1,983 | - - 11 chains and 21 anchors. | 2,311 |
| 50 bolts - | 500 | 1,014 bolts - | 9,432 | 676 bolts - - | 6,399 | 1,155 bolts - | 9,827 | 162 bolts - - | 1,224 |
| - - - | - - | - - - | - - | 37 piculs - - | 1,342 | 185 piculs - | 7,019 | 142 piculs - | 4,301 |
| - - - | - - | 175 piculs - | 712 | 1,114 piculs - | 9,879 | - - 183 Bengal, and 123 Europe. | 4,590 | 20 piculs twine | 50 |
| - - - | - - | 101 barrels - | 507 | 140 barrels - | 637 | - - 109 barrels 25 do. | 814 | 260 barrels - | 1,339 |
| - - - | - - | - - - | 326 | - - - | - - | - - - | 399 | 20 piculs - - | 100 |

## (6.)—Trade between Singapore and China—*continued.*

Statement of the Exports to *China—continued.*

| | 1834-35. | | 1835-36. | | 1836-37. | | 1837-38. | | 1838-39. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| Opium: | | | | | | | | | | |
| Benares | 367 chests | | 314¼ chests | | 467 chests | | 268 chests | | 812 chests | |
| Patna | | | | | | | 20 „ | | | |
| Maliva | 8 „ | 312,403 | 104 „ | 252,327 | 105 chests and 29½ piculs. | 402,332 | 122 „ | 256,045 | 10 „ | 337,546 |
| Turkey | | | 4 „ | | | | 2 „ | | | |
| Mangrove Bark | | | | | | | | | | |
| Pepper: | | | | | | | | | | |
| Black | 6,383 piculs | 39,517 | 7,972 piculs | 56,023 | 16,024 piculs | 108,888 | 10,734 piculs | 82,424 | 16,275 piculs | 67,376 |
| White | | | | | 2 „ | | 208 „ | | | |
| Long | | | | | | | 152 „ | | | |
| Putchuck | | | | | | | | | | |
| Paints and paint oils | 24 cwt. paints | 288 | | | | 774 | | 116 | | |
| Provisions: | | | | | | | | | | |
| Beef | 18,400 lbs | 2,010 | | | | | 70 tierces | 1,130 | 19 casks and 74 tierces. | 2,496 |
| Pork | | | | | | | | | | |
| Flour | | | | | | | | | | |
| Other kinds | | | | | | | | | | |
| Rattans | 23,747 piculs | 48,596 | 16,660 piculs | 36,019 | 3,008 piculs | 24,339 | 24,985 piculs | 49,266 | 18,353 piculs | 37,970 |
| Rice | 46,369 „ | 89,712 | 38,823 „ | 59,408 | 25,985 „ | 33,892 | 10,007 „ | 19,340 | 18,171 „ | 22,505 |
| Sago | 1,674 „ | 3,741 | 1,596 „ | 3,186 | 621 „ | 982 | 688 „ | 1,126 | 1,164 „ | 2,270 |
| Saltpetre | 369 „ | 2,666 | | | 477 „ | 3,239 | 390 „ | 2,792 | | |
| Spelter | | | | | 347 „ | 1,730 | 701 „ | 4,832 | | |
| Seaweed | 3,924 piculs | 16,078 | 3,800 piculs | 16,100 | 2,520 „ | 11,360 | 4,100 „ | 18,409 | 5,280 piculs | 20,374 |
| Segars | | | | | 600,000 in number. | 1,800 | | | | |
| Spices: | | | | | | | | | | |
| Nutmegs | 2 piculs | | 4½ piculs | | 2½ piculs | | 52¼ piculs | | 8 piculs | |
| Mace | | 265 | 60 catties | 11,314 | 4 „ | 8,787 | 35/100 „ | 5,917 | | 6,647 |
| Cloves | 5¼ piculs | | 241¾ catties | | 104 „ | | 20 „ | | 238 piculs | |
| Wild Nutmegs | | | | | 4½ „ | | | | 52 „ | |
| Shellac | | | 4 piculs | 88 | | | | | 100 piculs | 420 |
| Sugar | 400 piculs | 2,100 | | | | | | | | |
| Tin | 6,322 „ | 95,579 | 7,602 piculs | 117,386 | 6,629 piculs | 131,727 | 3,385 piculs | 68,569 | 4,454 piculs | 70,725 |
| Tobacco | | | | | 10 „ | 160 | 4 corges, Java | 580 | | |
| Tortoise shell | 42 piculs | 27,737 | 20½ piculs | 12,684 | 19½ „ | 11,203 | 22½ piculs | 15,575 | 20¼ piculs | 8,973 |
| Timbers: | | | | | | | | | | |
| Beams | | | | | | | | | | |
| Planks | | | | | | | | | | |
| Spars, &c. | | | | | | | | | | |
| Woollens | 160 yards and 960 pieces. | 21,865 | 325 pieces and 12,096 yards. | 25,064 | 710 pieces | 9,876 | 406 pieces | 10,113 | 290 pieces | 2,930 |
| Wood: | | | | | | | | | | |
| Garro | 702 piculs | 18,344 | 115 piculs | 4,680 | 356 piculs | 10,705 | 127 piculs | 5,663 | 364 piculs | 9,428 |
| Sandal | 170 „ | 950 | 1,046 „ | 11,143 | 409 „ | 7,261 | 471 „ | 1,453 | 280 „ | 3,881 |
| Booko | 19 „ | 152 | | | | | | | 50 „ | 100 |
| Lakkah | 3,050 „ | 9,030 | 3,400 piculs | 10,800 | 3,075 piculs | 7,129 | 3,737 piculs | 6,381 | 3,710 „ | 5,289 |
| Japan | 200 „ | 400 | | | 100 „ | 175 | 1,267 „ | 2,434 | 1,702 „ | 3,767 |
| *Europe*, Sundries | | 8,225 | | 7,037 | | 3,873 | | 3,819 | | 2,619 |
| *India* - *ditto* | | 2,082 | | 1,788 | | 207 | | 9,292 | | 1,389 |
| *Java* - *ditto* | | 1,461 | | 7,785 | | 19,002 | | 18,064 | | 3,598 |
| *Straits ditto* | | 4,970 | | | | 7,459 | | 8,622 | | 12,167 |
| *Eastern ditto* | | 17,383 | | 14,611 | | 5,580 | | 1,126 | | 19,269 |
| Specie | | 50,650 | | 21,864 | | 25,244 | | 48,138 | | 65,784 |
| Total Spanish Dollars | | 1,213,695 | | 1,073,525 | | 1,312,051 | | 1,169,780 | | 1,137,492 |

(6.)—TRADE BETWEEN SINGAPORE AND CHINA—*continued.*

STATEMENT of the EXPORTS to *China—continued.*

| 1839-40. | | 1840-41. | | 1841-42. | | 1842-43. | | 1843-44. | |
|---|---|---|---|---|---|---|---|---|---|
| Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. | Quantity. | Value. |
| | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* | | *Dollars.* |
| 564 ¾ chests<br>1,803 „<br>50 „ | 698,528 | 3,304 chests<br>495 „ | 1,283,652 | 1,941 chests<br>2,874 „<br>512 „<br>140 „ | 2,024,466 | 1,392 ¾ chests<br>1,483 „<br>561 „ | 1,673,422 | 1,266 ½ chests<br>1,018 „<br>172 ½ „<br>105 „ | 1,486,494 |
| 30,978 piculs | 5,195 | 19,297 piculs | 3,817 | | 6,710 | 54,723 piculs | 14,516 | | |
| 11,010 piculs<br>153 „ | 63,489<br>37,067 | 6,627 „<br>60 „<br>16 „ | 18,236 | 16,520 piculs<br>1,991 „<br>91 „ | 76,096 | 16,453 „<br>170 „<br>160 „ | 68,041 | | |
| 2,272 piculs<br>45 | 33,499 | 43 „ | 728<br>876 | 290 „ | 3,044<br>78 | 70 „ | 560<br>1,111 | | |
| 93 | | 233 casks and 348 tongues.<br>20 kegs and 3,876 lbs. hams.<br>4 barrels | 4,898 | 15 casks and 4 jars.<br>154 casks<br>22 chests | 4,520 | — | — | — | — |
| 32,415 piculs<br>4,860 „<br>744 „<br>131 „<br>9,419 piculs | 62,912<br>6,138<br>1,391<br>701<br>41,380 | 26,958 piculs and 40,000 canes.<br>1,136 bags and 5,793 piculs.<br>170 piculs<br>841 „<br>11,900 piculs | 55,663<br>11,995<br>302<br>7,064<br>30,894 | 23,118 piculs and 3,550 canes.<br>1,777 piculs<br>584 „<br>477 „<br>34 „<br>6,984 „ | 43,039<br>1,599<br>1,113<br>2,958<br>402<br>10,378 | 34,520 piculs and 1,000 canes.<br>6,741 piculs & 150 bags.<br>248 piculs<br>1,234 „<br>5,377 piculs | 68,077<br>9,618<br>594<br>8,216<br>10,384 | 37,316 piculs<br>31,692 „<br>605 „<br>2,925 „<br>419 „<br>5,796 „<br>220,000 in number | 92,633<br>34,108<br>1,377<br>15,924<br>3,561<br>12,756<br>1,955 |
| 22 piculs<br>2 „<br>556 ¼ piculs<br>93 „ | 16,020 | 17 $\frac{60}{100}$ piculs<br>1 ½ „<br>115 „ | 4,430 | 32 piculs<br>31 piculs | 2,368 | 9 ¼ piculs<br>½ „<br>93 piculs | 2,417 | 110 piculs<br>141 piculs<br>22 „ | 7,717 |
| 100 piculs<br>2,566 ¾ piculs | 600<br>45,272 | 7 piculs<br>200 „<br>3,363 piculs<br>4,000 lbs. | 140<br>600<br>56,380<br>800 | 888 piculs | 11,512 | 12 piculs<br>2,238 piculs<br>2,936 „ | 78<br>5,028<br>44,517 | —<br>1,801 piculs<br>3,754 „ | —<br>4,540<br>53,231 |
| 1 ½ piculs | 790 | 11 $\frac{83}{100}$ piculs | 1,087 | 9 piculs | 3,325 | 5 ½ piculs | 1,105 | 610 catties and 1 head. | 2,250 |
| 4 pieces | 116 | 3,559 pieces and 2,359 yards. | 17,360 | 1,358 in number<br>19,616 piculs<br>400 rafters and 16 masts and 12 spars. | 5,470 | 2,664 in number<br>40,997 „ | 6,962 | | 14,508 |
| 227 piculs<br>7,156 „ | 10,336<br>68,598 | 222 piculs<br>833 „ | 11,098<br>9,458 | 64 piculs<br>1,142 piculs | 2,680<br>16,100 | 228 piculs<br>5,287 „ | 7,225<br>30,592 | 478 piculs<br>3,241 „ | 5,670<br>18,170 |
| 1,250 piculs<br>2,303 „ | 2,181<br>4,556 | 2,700 piculs<br>5,770 „ | 5,220<br>10,445 | 900 piculs<br>5,754 „ | 1,350<br>10,093 | 526 piculs<br>10,808 piculs | 995<br>18,015 | 1,172 piculs<br>7,440 „ | 3,069<br>10,602 |
| | 5,278<br>3,904<br>6,782<br>28,241<br>4,456 | | 11,755<br>15,770<br>11,540<br>2,925 | | 21,383<br>3,345<br>2,956<br>11,187<br>3,220 | | 12,530<br>4,429<br>2,009<br>11,933<br>2,747 | | 15,501<br>5,888<br>5,391<br>29,434<br>3,500 |
| | 11,724 | | 121,598 | | 37,605 | | 169,333 | | 47,885 |
| | 1,499,136 | | 2,892,873 | | 3,058,202 | | 3,627,802 | | 3,256,260 |

## (7.)—TRADE WITH CHINA AND BENGAL.

### Imports from *China*.

| MERCHANDISE. | | 1838–39. | | 1839–40. | | 1840–41. | | 1841–42. | | 1842–43. | | 1843–44. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. |
| | | | *Rs.* | | *Rs.* | | *Rs.* | | *Rs.* | | *Rs.* | | *Rs.* |
| Alum | *I. Mds.* | 9,879 ½ | 29,639 | 1,950 ½ | 5,852 | 3,415 ½ | 10,246 | 26,197 ½ | 84,795 | 9,137 ½ | 28,201 | 11,636 | 34,908 |
| Aniseed | *I. Mds.* | 39 | 549 | - - | - - | 203 ¼ | 3,254 | - - | - - | - - | - - | 39 ¾ | 555 |
| Arsenic | *I. Mds.* | 157 ¾ | 2,368 | - - | - - | 209 ½ | 2,576 | 121 | 2,117 | 31 | 540 | 48 ¼ | 788 |
| Beer and Porter | - - | - - | - - | - - | - - | - - | - - | - - | 119 | - - | 60 | - - | 19 |
| Beads and False Pearls | - - | - - | 13,420 | - - | 3,300 | - - | 26,287 | - - | 25,975 | - - | 45,121 | - - | 26,338 |
| Betel Nuts | - - | - - | - - | - - | - - | - - | - - | 1 | 3 | — | — | — | — |
| Books | - - | - - | 230 | - - | 100 | - - | 247 | - - | - - | - - | 200 | - - | 500 |
| Bottles (Empty) | *Dozens* | - - | - - | 54 | 58 | 9 ¼ | 10 | 6 | 6 | 25 | 19 | 416 ½ | 387 |
| Brass Leaf and Leaf Metal | - - | - - | - - | - - | 948 | - - | 24,800 | - - | 16,212 | - - | - - | - - | 475 |
| Brimstone | *I. Mds.* | 81 ½ | 204 | — | — | — | — | — | — | — | — | — | — |
| Camphor | *I. Mds.* | 433 ½ | 18,203 | 1,341 ½ | 56,341 | 843 | 49,842 | 662 | 39,713 | 417 ½ | 23,941 | 1,773 | 99,282 |
| Canvas | - - | - - | - - | - - | - - | - - | - - | 50 | 900 | 530 | 9,010 | 343 | 5,488 |
| Cardamums | - - | 238 ¾ | 3,342 | — | — | — | — | — | — | — | — | — | — |
| Cassia | - - | 555 ½ | 7,776 | 2,205 ¾ | 30,881 | 1,974 | 33,560 | 2,176 | 36,993 | 1,074 ¼ | 18,273 | 886 ¾ | 14,874 |
| China Fancy Articles | - - | - - | 18,626 | - - | 573 | - - | 10,772 | - - | 6,709 | - - | 10,499 | - - | 10,618 |
| China Root | - - | 202 | 858 | - - | - - | 63 ¼ | 442 | 162 | 1,296 | 915 ½ | 4,145 | 1,059 | 4,247 |
| Coal | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 5,771 ¼ | 2,886 |
| Coffee | - - | - - | - - | 1 ½ | 26 | — | — | — | — | — | — | — | — |
| Confectionery | - - | - - | 14,955 | - - | 7,042 | - - | 2,512 | - - | 7,865 | - - | 12,500 | - - | 23,171 |
| Coral (Sea) | *Sa. Wt.* | - - | 6 | - - | - - | - - | - - | - - | - - | 880 | 2,640 | 220 | 770 |
| Cordage | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 2,638 |
| Dammer | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 45 ¼ | 91 |
| Earthenware | - - | - - | 532 | - - | 190 | - - | 1,237 | - - | 220 | - - | 247 | - - | 2,833 |
| Felt (Patent) | *Sheets* | 3,000 | 1,125 | - - | - - | 10 | 1,560 | — | — | — | — | — | — |
| Flour | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 6 ½ | 143 |
| Galangal | *I. Mds.* | 156 ¼ | 782 | 243 | 1,215 | 1,357 | 10,177 | 1,125 | 8,437 | 235 | 1,762 | 1,223 ¼ | 4,282 |
| Gambier | - - | - - | - - | - - | - - | - - | - - | 157 | 628 | — | — | — | — |
| Glass (Pier and Mirror) | - - | - - | 20 | — | — | — | — | — | — | — | — | — | — |
| Glass-ware | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 926 |
| Gum Copal | - - | - - | - - | - - | - - | 69 | 1,037 | — | — | — | — | — | — |
| Guns and Pistols | - - | - - | - - | - - | 40 | - - | - - | - - | 200 | - - | 25 | - - | 240 |
| Haberdashery | - - | - - | 260 | - - | 279 | - - | 468 | - - | 1,830 | - - | 2,012 | - - | 789 |
| Hams | *Lbs.* | - - | - - | 503 ½ | 252 | - - | - - | 42 ¼ | 25 | — | — | — | — |
| Hardware and Cutlery | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 981 |
| Hats and Caps | - - | - - | 1,901 | - - | - - | - - | 250 | - - | - - | - - | 2,389 | - - | 3,819 |
| Ironmongery | - - | - - | 77 | - - | 296 | - - | - - | - - | 389 | - - | 1,042 | - - | 1,822 |
| Liquors | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 138 | - - | 370 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicines | | | | | | | 110 | | | | 27 | | | |
| Metals: | | | | | | | | | | | | | | |
| Block Tin | | | | 1 ¼ | 31 | 856 ¼ | 20,979 | — | — | — | — | — | — | — |
| Copper (Cake and Slabs) | *I. Mds.* | 4,341 ½ | 1,47,682 | 2,323 ¼ | 76,668 | 666 ¾ | 22,003 | | | 2,865 ½ | 1,00,691 | 5,668 ¾ | | 1,81,398 |
| Copper (Old) | | 31 ½ | 1,012 | | | | | 40 | 1,441 | 162 | 5,662 | 260 ¾ | | 8,346 |
| Iron of Sorts | | | | | | | | | | 787 ½ | 1,772 | — | | — |
| Lead Shot | *Bag* | | | | | | | | | | | 47 | | 153 |
| Pig and Sheet | | | | | | | | | | | | 625 | | 4,843 |
| Oilman's Stores and Grocery | | | | | 86 | | 600 | | | | 20 | | | 2,877 |
| Piece Goods: | | | | | | | | | | | | | | |
| British Cotton | *Yards* | 11,092 ½ | 2,022 | | | 121 | 23 | | | 45 | 270 | — | | — |
| China Cotton | *Pieces* | 4,568 | 17,390 | 1,897 | 16,806 | 3,431 | 41,922 | 5,262 | 45,746 | 841 | 6,945 | 1,082 | | 6,416 |
| Silk | *Pieces* | 6,732 | 1,07,850 | *Ps.* 1,593 | 23,329 | 8,231 | 1,39,586 | 9,120 | 1,40,270 | 6,097 | 1,28,122 | 5,593 | | 70,291 |
| | *Yards* | 1,334 ½ | | | | | | | | | | | | |
| Woollen | *Yards* | | | 12 | 48 | — | — | — | — | — | — | — | | — |
| Paint of Sorts | | | 679 | — | — | — | — | — | — | — | — | — | | — |
| Pepper (Black) | *I. Mds.* | 253 | 3,037 | | | | | 2 ¾ | 29 | | | 1 | | 9 |
| —— (Long) | *I. Mds.* | | | | | | | | | | | 398 | | 3,085 |
| Plate and Jewellery | | | 1,919 | | | | 300 | | | | 1,825 | | | 1,455 |
| Precious Stones | | | 6,802 | | | | | | | | | | | 2,000 |
| Provisions | | | | | 10 | | 2,415 | | 40 | | 8,655 | | | 1,475 |
| Rattans | *I. Mds.* | | | | | | | | | | | 212 ¼ | | 531 |
| Saddlery | | | | | | | 64 | | 80 | | | | | 367 |
| Sago | | 3 ⅓ | 13 | 78 ¼ | 274 | | | | | 16 ½ | 66 | — | | — |
| Segars | | | 13,691 | | 10,423 | | 680 | | 26,208 | | 49,284 | | | 34,524 |
| Silk (Raw) | | | | | | 16 ¼ | 7,210 | — | — | — | — | — | | — |
| Spices (Mace) | | 22 ¾ | 3,642 | — | — | — | — | — | — | — | — | — | | — |
| —— (Nutmegs) | | | | | | | | 15 | 242 | — | — | — | | — |
| Stationery and Cards | | | 55,866 | | 33,678 | | 49,988 | | 25,455 | | 3,386 | | | 7,897 |
| Tea | | | 1,47,825 | | 2,61,733 | | 3,92,783 | | 1,51,647 | | 1,18,750 | | | 1,45,594 |
| Tobacco | | | | 19 | 172 | 240 ½ | 4,403 | 391 ¾ | 7,038 | 388 | 6,927 | 256 | | 4,234 |
| Twist, Blue | *Lbs.* | | | 420 | 315 | — | — | — | — | — | — | — | | — |
| —— White | *Lbs.* | 11,200 | 5,794 | — | — | — | — | — | — | — | — | — | | — |
| Vermillion | | 561 | 67,336 | 583 | 69,960 | 1,801 | 2,70,753 | 416 | 57,202 | 193 | 51,469 | 367 | | 47,609 |
| Wines | | | 640 | | 220 | | 4,350 | | 1,593 | | 9,956 | | | 20,247 |
| Spirits, &c. | | | 4,560 | | 592 | | 55 | | 2,223 | | 2,040 | | | 1,708 |
| Wood (Spars and Planks) | | | 70 | | | | | | 129 | | | | | 625 |
| All other Articles | | | 66,900 | | 20,168 | | 72,049 | | 38,957 | | 33,919 | | | 47,886 |
| Merchandize | | | 7,69,603 | | 6,21,406 | | 12,09,550 | | 7,32,732 | | 6,92,550 | | | 8,37,810 |
| Treasure | | | 76,53,092 | | 21,32,395 | | 38,72,873 | | 53,69,686 | | 65,11,106 | | | 88,38,917 |
| TOTAL | *Rs.* | | 84,22,695 | | 27,53,801 | | 50,82,423 | | 61,02,418 | | 72,03,656 | | | 96,76,727 |

Calcutta Custom-House, 17 August 1844.

(signed) *E. Currie*, Coll.
*P. Bonnaud*, Acc.

## (7.)—TRADE WITH CHINA FROM BENGAL.

EXPORTS.

| MERCHANDISE. | 1838–39. | | 1839–40. | | 1840–41. | | 1841–42. | | 1842–43. | | 1843–44. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. | QUANTITY. | VALUE. |
| Cotton Piece-goods | 1,147 ps. 50 doz. | *Rs.* 15,054 | 285 | *Rs.* 410 | 1,846 ps. 282¼ doz. | *Rs.* 3,124 | 1,357 ps. 28 doz. | *Rs.* 2,053 | 1,786 ps. | *Rs.* 2,626 | 1,702 ps. | *Rs.* 1,300 |
| Mixed Piece goods | 13 | 65 | - - | - - | - - | - - | - - | - - | 36 | 124 | 476 | 1,254 |
| Silk Piece-goods | 524 | 3,254 | - - | - - | - - | - - | 1,437 | 5,646 | 1,562 | 7,703 | 138 | 759 |
| Woollens, Shawls, &c. | 56 | 568 | 62 | 49 | - - | - - | 5 | 153 | 30 | 446 | 111 | 670 |
| Cotton Twist (Fort Glo'ster) *Bales* | 480 | 80,014 | — | — | — | — | — | — | — | — | — | — |
| Sugar *I. Mds.* | 53 | 371 | 53 | 368 | — | — | — | — | — | — | — | — |
| Saltpetre | 13,653 | 73,193 | 2,724 | 14,301 | 13,031 ¼ | 64,414 | 23,511 ¼ | 1,23,434 | 5,298 ¼ | 27,816 | 30,808 ½ | 1,61,744 |
| Raw Cotton | 2,18,632 | 21,79,086 | 1,38,778 ¼ | 14,18,409 | 1,60,802 ¼ | 16,56,447 | 80,591 ¾ | 8,68,171 | 1,49,304 | 14,86,550 | 1,95,738 | 19,57,379 |
| Rice | 18,044 | 27,229 | 8,050 | 11,758 | 12,758 | 16,946 | 52,008 | 76,341 | 59,880 | 80,487 | 12,332 | 18,385 |
| Paddy | 190 | 122 | 24 | 18 | - - | - - | 100 | 63 | — | — | — | — |
| Grain | 582 | 671 | 224 | 230 | 150 | 188 | 1,550 | 2,187 | 1,065 | 1,752 | 900 | 1,187 |
| Dholl and Pease | 588 | 957 | 456 | 641 | 712 | 1,234 | 2,930 | 4,206 | 1,650 | 2,750 | 300 | 425 |
| Soojee | 1 | 5 | — | — | — | — | — | — | — | — | — | — |
| Opium *Chests* | 14,642 | 1,19,75,423 | 4,052 | 18,74,445 | 5,852 | 39,47,745 | 11,378 | 84,05,784 | 11,988 | 1,21,35,267 | 13,157 | 1,76,10,851 |
| Canvas *Bolts* | 164 | 2,474 | 109 | 709 | - - | - - | 504 | 7,274 | 12 | 204 | — | — |
| Castor Oil *I. Mds.* | 5 ½ | 67 | - - | - - | 1 ¼ | 13 | 8 ¼ | 82 | 7 ¾ | 77 | 6 ¾ | 67 |
| Elephants' Teeth | 5 ¾ | 580 | 2 ¾ | 288 | — | — | — | — | — | — | — | — |
| Ghee | 79 ½ | 1,117 | 57 ½ | 800 | 26 ½ | 449 | 490 ¼ | 8,134 | 87 ¾ | 1,490 | 362 | 5,791 |
| Gunnies *Nos.* | 11,550 | 1,785 | — | — | — | — | — | — | — | — | — | — |
| Hides and Skins | 9,315 | 18,630 | - - | - - | - - | - - | 888 | 1,332 | 550 | 93 | — | — |
| Putchuck *I. Mds.* | 4,852 ¾ | 51,141 | 6,239 ¼ | 62,391 | 13,649 ½ | 1,36,498 | 10,623 ½ | 1,17,595 | 5,088 ¼ | 61,060 | 6,833 ½ | 82,001 |
| Provisions | - - | 10,152 | - - | 514 | - - | 1,410 | - - | 4,582 | - - | 3,060 | — | — |
| Rum (Bengal) *Gallons* | 1,329 | 1,019 | - - | - - | 330 | 248 | 316 | 158 | 2,557 | 1,279 | — | — |
| Segars | - - | 1,130 | - - | 175 | - - | 158 | - - | 1,451 | - - | 213 | — | — |
| Tobacco *I. Mds.* | 7 | 41 | 7 ¾ | 39 | 12 ¼ | 307 | 4 ¾ | 120 | — | — | — | — |
| Soap | - - | - - | - - | - - | 821 | 4,926 | 517 ¼ | 3,193 | 263 ¾ | 1,791 | 498 ¼ | 3,477 |
| Wheat | - - | - - | - - | - - | - - | - - | 300 | 375 | - - | - - | 3,400 | 4,750 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hemp-twine | | | | | | | | | | | | | 23 | 212 | — | | — | — |
| Turmeric | | | | | | | | | | | | | 53 | 238 | — | | — | — |
| Arrowroot | | | | | | | | | | | | | | | | | 4 ¾ | 219 |
| Borase of Tincals | | | | | | | | | | | | | | | | | 71 | 852 |
| **Re-exports:** | | | | | | | | | | | | | | | | | | |
| Cotton Piece-goods (British) | | | 78,732 yds. 199 ps. | 16,406 | 48 ps. 1 doz. | | 86 | 15 ps. 1,20,537 yds. 397 ¾ doz. | 23,471 | 405 ps. 2,660 ¾ yds. | 1,404 | 1,376 ps. 19,500 yds. | 7,834 | 8,842 ps. 100 yds. | 1,568 | | | |
| Cotton Twist (British) | | *Bales* | 2 | 425 | | | | 48 | 9,566 | 85 | 22,714 | — | — | — | — | | | |
| Copper | | *I. Mds.* | 55 ½ | 2,050 | | | | | | 88 ½ | 3,226 | — | — | — | — | | | |
| Coral | | *Sa. Wt.* | 10,200 | 7,013 | | | | | | 903 | 2,258 | 3,175 | 4,047 | 9,075 | 8,210 | | | |
| Iron | | *I. Mds.* | 2,700 | 3,375 | | | | 929 ¼ | 3,764 | | | 599 ¼ | 1,724 | 1,129 ¾ | 2,821 | | | |
| Sandal-wood | | | 232 | 2,849 | | | | | | | | 437 ½ | 4,754 | — | — | | | |
| Tortoise-shell | | | 1 ½ | 1,500 | — | — | — | — | — | — | — | — | — | — | — | | | |
| Coffee | | | | | | | | 3 | 75 | | | 1 ¼ | 30 | — | — | | | |
| Cutch | | | | | | | | 1,669 ¼ | 5,843 | — | — | — | — | — | — | | | |
| Cochineal | | | | | | | | | | 11 ½ | 2,295 | — | — | — | — | | | |
| Woollens | | | | | | | | | | | 3,294 | | 13,203 | | | | | |
| Gum Myrrh | | | | | | | | | | | | | | | 76 ¾ | | | |
| Tea | | | | | | | | | | | | | | | | | | |
| All other Exports and Re-exports | | | | 58,512 | | | 18,948 | | 1,22,053 | | 2,53,311 | | 1,91,971 | | | | 1,49,951 | |
| Merchandise | | | | 1,45,36,278 | | | 34,04,579 | | 59,98,879 | | 99,21,286 | | 1,40,38,291 | | | | 2,00,23,247 | |
| Treasure | | | | 29,250 | | | 9,500 | | 1,13,960 | | — | | — | | — | | — | |
| Total | | *Rs.* | | 1,45,65,528 | | | 34,14,079 | | 61,12,839 | | 99,21,286 | | 1,40,38,291 | | | | 2,00,23,247 | |

Calcutta Custom House, 17 August 1844.

(signed) *E. Currie*, Coll.
*P. Bonnaud*, Acc.

Calcutta, 22 August 1844.

*N.B.*—A considerable portion of the opium intended eventually for the China market is shipped here for Singapore, and does not, therefore, appear in these Returns.

To the Hon. R. M. Martin, H. M. Treasurer, Hong Kong.

(signed) *E. Currie.*

Appendix, No. 3.

Trade between Bombay and China.

## (8.)—TRADE between *Bombay* and *China* from 1838 to 1843–44.

### Imports from *China* in 1838–39.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | | | | | 11,362 |
| Beads | 655 chests | | | | 28,735 |
| Beer | 8 hogsheads | | | | 400 |
| Cassia | | | | 2,82,161 | 35,259 |
| Chinaware | | | | | 68,711 |
| Cochineal | | | | 13,219 | 39,663 |
| Coral | | | | 90 | 900 |
| Earthenware | | | | | 6,271 |
| Eatables and Confectionery | | | | | 20,048 |
| Fireworks (China Crackers) | 1,815 chests | | | | 19,077 |
| Indigo | | | | 3,863 | 3,291 |
| Ivory, Elephants' Teeth | | | 17 | | 1,808 |
| Marine Stores | | | | | 1,605 |
| Mats | 770 bundles | | | | 19,451 |
| Medicines and Drugs | | | 11,568 | 42 | 1,68,903 |
| Metals: | | | | | |
| Copper, American | | 105 | | 9 | 84,360 |
| Nails | | | 12 | 10 | 484 |
| Old | | 18 | 11 | 71 | 15,024 |
| White | | 1 | 16 | 76 | 6,451 |
| Tin | | 5 | 6 | | 2,502 |
| Oil, of Sorts | 2 cases | | | | 371 |
| Piece Goods: | | | | | |
| British, White | 6,875 pieces | | | | 22,880 |
| China Silk | 23,741 pieces | | | | 3,51,288 |
| Shawls | 302 number | | | | 5,804 |
| Perfumery | | | | | 2,240 |
| Plate, Plated Ware, and Jewellery | | | | | 16,153 |
| Rattans or Canes | 100 bundles | | | | 400 |
| Silk, Raw | | | | 5,39,171½ | 12,85,761 |
| Spirits | 10,232 gallons | | | | 9,326 |
| Spices, Mace | | | | 1,466 | 2,932 |
| Stationery | | | | | 34,997 |
| Sugar | | | 35,431 | 30 | 3,04,222 |
| Sugarcandy | | | 42,683 | 36 | 3,59,399 |
| Summerheads or Umbrellas | 2,826 chests | | | | 77,905 |
| Sundries | | | | | 88,285 |
| Tea | | | | 3,47,640 | 1,50,124 |
| Tobacco, American | | | | 2,116 | 1,586 |
| Cheroots | 1,078 boxes | | | | 21,560 |
| Vermillion | 8,246 bundles | | | | 11,760 |
| Wine | 620 gallons | | | | 1,490 |
| Wood, of Sorts | | | | | 254 |
| Merchandize | | | | | 33,83,042 |
| Treasure — Gold | | | | *Rs.* 9,95,918 | |
| Treasure — Silver | | | | 1,26,26,394 | |
| | | | | | 1,36,22,312 |
| TOTAL | | | | *Rs.* | 1,70,05,354 |

IMPORTS from *China* in 1839–40.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| *Apparel* | - - - | - - | - - | - - | 3,669 |
| Beads | 149 boxes, and | - - | 191 | 75 | 11,520 |
| Beer | 5 hogsheads | - - | - - | - - | 250 |
| Cassia | - - - | - - | - - | 184,048 | 21,506 |
| Chinaware | - - - | - - | - - | - - | 5,376 |
| Cochineal | - - - | - - | - - | 31,053 | 93,223 |
| Earthenware | - - - | - - | - - | - - | 157 |
| Eatables and Confectionery | - - - | - - | - - | - - | 2,867 |
| Fireworks (China Crackers) | 434 chests | - - | - - | - - | 4,843 |
| Glass-ware | - - - | - - | - - | - - | 246 |
| Grain, of Sorts | 13,030 bags | - - | - - | - - | 81,180 |
| Hardware and Cutlery | - - - | - - | - - | - - | 22 |
| Hemp | - - - | - - | 60 | - - | 339 |
| Indigo | - - - | - - | - - | 2,499 | 2,035 |
| Mats | 20 bundles | - - | - - | - - | 275 |
| Medicines and Drugs | - - - | - - | 838 | 90 | 38,137 |
| Metals: | | | | | |
| Copper | - - - | - - | - - | 22 | 44 |
| Old | - - - | 3 | 17 | 60 | 3,101 |
| White | - - - | - - | 5 | 14 | 1,016 |
| Tin | - - - | 21 | 17 | 52 | 10,378 |
| Lead, White | - - - | - - | 11 | 84 | 118 |
| Piece Goods: | | | | | |
| British Printed | 1,050 pieces | - - | - - | - - | 4,500 |
| China Silk | 19,082 pieces | - - | - - | - - | 1,14,456 |
| Plate, Plated Ware, and Jewellery | - - - | - - | - - | - - | 5,475 |
| Precious Stones, Pearls | - - - | - - | - - | - - | 5,000 |
| Rattans or Canes | 600 bundles | - - | - - | - - | 84 |
| Silk, Raw | - - - | - - | - - | 190,669 | 4,56,662 |
| Spirits, Gin | 855 gallons | - - | - - | - - | 806 |
| Spices, Mace | - - - | - - | - - | 1,161 | 2,327 |
| Stationery | - - - | - - | - - | - - | 23,014 |
| Sugar | - - - | - - | 3,054 | 25 | 25,520 |
| Sugarcandy | - - - | - - | 10,243 | 46 | 1,43,067 |
| Summerheads or Umbrellas | 183 chests | - - | - - | - - | 5,451 |
| Sundries | - - - | - - | - - | - - | 22,027 |
| Tea | - - - | - - | - - | 191,416 | 86,452 |
| *Tortoise-shells Chip* | - - - | - - | - - | 2,380 | 1,218 |
| Tobacco, American | - - - | - - | - - | 1,037 | 139 |
| Cheroots | 1,292 boxes | - - | - - | - - | 25,840 |
| Vermillion | 8,753 bundles and boxes. | - - | - - | - - | 23,662 |
| Wine | 137 gallons | - - | - - | - - | 168 |
| Wood, of Sorts | 30 number, and | - - | 481 | - - | 1,325 |
| Woollens | 20 pieces | - - | - - | - - | 810 |
| Merchandize | | | | | 12,28,305 |
| Treasure — Gold | | | | *Rs.* 2,500 | |
| Treasure — Silver | | | | 28,42,681 | |
| | | | | | 28,45,181 |
| TOTAL | | | | *Rs.* | 40,73,486 |

Appendix, No. 3.

Trade between Bombay and China.

IMPORTS from *China* in 1840-41.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwt.* | *Lbs.* | *Rs.* |
| Apparel | | - | - | - | 7,827 |
| Beads | 225 bundles and | - | 370 | 91 | 20,065 |
| Cassia | | - | - | 5,23,403 | 64,153 |
| Chinaware | | - | - | - | 5,265 |
| *Coffee | | - | - | 19,037 | 3,829 |
| Cochineal | | - | - | 5 | 15 |
| Earthenware, of Sorts | | - | - | - | 370 |
| Eatables and Confectionery | | - | - | - | 14,818 |
| Fireworks | 1,175 chests | - | - | - | 16,429 |
| Ghee | | - | 9 | 56 | 155 |
| Glass, Looking and Window | | - | - | - | 3,937 |
| Gum, of Sorts | | - | 5 | 17 | 201 |
| Hardware and Cutlery | | - | - | - | 870 |
| Hemp | | - | 14 | 32 | 192 |
| Indigo | | - | - | 26,466 | 22,779 |
| Leather and Saddlery | | - | - | - | 18 |
| Marine Stores | | - | - | - | 3,710 |
| Medicines and Drugs | | - | 11,824 | 13 | 1,26,923 |
| Metals: | | | | | |
| Brass, Sheet | | - | 16 | - | 750 |
| Copper, Old | | - | 11 | 109 | 479 |
| White | | - | 5 | 28 | 1,103 |
| Tin | | 27 | 3 | 70 | 15,770 |
| Oil, of Sorts | | - | 3 | 84 | 37 |
| Pepper | | - | 205 | 98 | 2,107 |
| Perfumery and Toys | | - | - | - | 1,052 |
| Piece Goods: | | | | | |
| China Cotton | 38,438 pieces | - | - | - | 4,41,473 |
| Silk | 5,598 pieces | - | - | - | 85,373 |
| Cashmere Shawls | 49 number | - | - | - | 1,202 |
| Plate, Plated Ware, Jewellery, and Watches | | - | - | - | 7,059 |
| Precious Stones: | | | | | |
| Pearls | | - | - | - | 2,907 |
| Coral | | - | - | 52 | 487 |
| Saltpetre | | - | 30 | - | 240 |
| Silk, Raw | | - | - | 9,06,687½ | 25,83,110 |
| Spirits, Gin | 532 gallons | - | - | - | 432 |
| Spices: | | | | | |
| Mace | | - | - | 1,469 | 9,236 |
| Nutmegs | | - | - | 875 | 1,315 |
| Stationery | | - | - | - | 83,931 |
| Sugar | | - | 58,284 | 79 | 4,50,559 |
| Sugarcandy | | - | 32,074 | 89 | 4,28,832 |
| Summerheads or Umbrellas | 2,024 number<br>1,640 chests | - | - | - | 45,773 |
| Sundries | | - | - | - | 1,22,251 |
| Tea | | - | - | 8,52,317 | 3,73,497 |
| Tobacco | | - | - | 5,039 | 649 |
| Cheroots | 710 boxes | - | - | - | 14,200 |
| Vermillion | 74,717 bundles and boxes | - | - | - | 1,04,922 |
| Wine, of Sorts | 357 gallons | - | - | - | 859 |
| Wood, of ditto | 3,561 pieces and | - | 1,017 | 44 | 7,808 |
| Merchandize | | | | | 50,72,669 |
| Treasure: Gold | | | *Rs.* 6,236 | | |
| Silver | | | - 53,66,951 | | |
| | | | | | 53,73,187 |
| TOTAL | | | | *Rs.* | 1,04,45,856 |

* The produce chiefly of Java and Ceylon, but imported in China ships.

IMPORTS from *China* in 1841–42.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwt.* | *Lbs.* | *Rs.* |
| Apparel | - - - | - | - | - | 10,816 |
| Beads | 126 chests and | - | 214 | 61 | 11,808 |
| Beer | — | — | — | — | — |
| Cassia | - - - | - | - | 7,85,146 | 77,127 |
| Chinaware | - - - | - | - | - | 7,835 |
| Cochineal | - - - | - | - | 2,204 | 7,059 |
| Eatables and Confectionery | - - - | - | - | - | 3,019 |
| Fireworks | 381 boxes | - | - | - | 6,210 |
| Glass, Looking and Window | - - - | - | - | - | 3,727 |
| Gum, of Sorts | - - - | - | 55 | 49 | 2,075 |
| Hardware and Cutlery | - - - | - | - | - | 781 |
| Indigo | - - - | - | - | 34,863 | 29,561 |
| Medicines and Drugs | 2 cases and | - | 22,868 | 5 | 1,33,234 |
| Metals: | | | | | |
| Copper, American | - - - | 18 | 4 | 8 | 16,383 |
| Old | - - - | 2 | 3 | 47 | 1,945 |
| White | - - - | - | 16 | 65 | 2,647 |
| Sheet | - - - | 10 | 3 | 92 | 11,814 |
| Tile and Plate | - - - | 3 | 13 | 92 | 4,275 |
| Lead, Pig, and Sheet | - - - | 8 | 8 | 72 | 1,687 |
| Spelter | - - - | 1 | 18 | 83 | 426 |
| Tin | - - - | 14 | 7 | 85 | 9,794 |
| Oil, Cassia | - - - | - | 10 | 13 | 4,534 |
| Pepper, Long | - - - | - | 128 | 54 | 1,398 |
| Perfumery and Toys | - - - | - | - | - | 1,280 |
| Piece Goods: | | | | | |
| British White | 1,614 pieces | - | - | - | 6,174 |
| China Cotton | 4,263 pieces | - | - | - | 36,942 |
| Silk | 19,105 pieces | - | - | - | 3,08,194 |
| Shawls | 5 pieces | - | - | - | 135 |
| Plate, Plated Ware, Jewellery, and Watches | - - - | - | - | - | 5,924 |
| Precious Stones, Cornelians | - - - | - | - | - | 290 |
| Rattans or Canes | 2,000 bundles | - | - | - | 303 |
| Silk, Raw | - - - | - | - | 8,29,410¼ | 22,20,654 |
| Spirits | 1,688 gallons | - | - | - | 2,436 |
| Spices: | | | | | |
| Mace | - - - | - | - | 4,249 | 8,498 |
| Nutmegs | - - - | - | - | 16,542 | 28,947 |
| Stationery | - - - | - | - | - | 59,488 |
| Sugar | - - - | - | 79,203 | 39 | 5,52,087 |
| Sugarcandy | - - - | - | 49,992 | 27 | 6,51,147 |
| Summerheads or Umbrellas | 996 chests and 6,211 numbers | - | - | - | 32,423 |
| Sundries | - - - | - | - | - | 1,28,138 |
| Tea | - - - | - | - | 5,34,728 | 3,32,986 |
| Tobacco | - - - | - | 89 | 97 | 831 |
| Cheroots | 308 boxes | - | - | - | 6,160 |
| Tortoise Shell | - - - | - | - | 19 | 207 |
| Vermillion | 16,810 bundles | - | - | - | 18,700 |
| Wine, of Sorts | 2,292 gallons | - | - | - | 8,926 |
| Woollens | 5 pieces | - | - | - | 75 |
| *Merchandize* | | | | | 47,59,100 |
| Treasure — Gold | | | | *Rs.* 5,000 | |
| Treasure — Silver | | | | 56,66,858 | |
| | | | | | 56,71,858 |
| TOTAL | | | | *Rs.* | 1,04,30,958 |

Appendix, No. 3.

Trade between Bombay and China.

IMPORTS from *China* in 1842-43.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | | | | | 8,824 |
| Beads | 1,079 bund., and | | 630 | 37 | 92,966 |
| China and Earthenware | | | | | 55,786 |
| Cochineal | | | | 800 | 2,600 |
| * Coffee | | | | 61,146 | 8,857 |
| Eatables and Confectionery | | | | | 19,688 |
| Fireworks | 3,843 chests | | | | 54,691 |
| Glass, of Kinds | | | | | 4,524 |
| Gum, of Sorts | | | 102 | 16 | 3,414 |
| Hardware and Cutlery | | | | | 3,508 |
| Hemp | | | 29 | 34 | 159 |
| Ivory, Elephants' Teeth | | | 29 | 58 | 4,354 |
| Jewellery | | | | | 140 |
| Marine Stores | | | | | 194 |
| Medicines and Drugs | | | 24,744 | 40 | 1,81,316 |
| Metals: | | | | | |
| Copper, American | | 119 | 16 | 76 | 1,07,879 |
| Old | | 1 | 1 | 12 | 949 |
| White | | | 54 | 87 | 9,596 |
| Tin | | 60 | 6 | 3 | 41,172 |
| Oil, of Sorts | 6 dozens, and | | | 133 | 1,037 |
| Perfumery and Toys | | | | | 225 |
| Piece Goods: | | | | | |
| Cotton | 749 pieces | | | | 5,096 |
| Silk | 36,045 pieces | | | | 5,46,693 |
| Shawls | 4 pieces | | | | 160 |
| Plated Ware | | | | | 5,466 |
| Silk, Raw | | | | 7,18,376 | 17,97,841 |
| Spices: | | | | | |
| Cassia | | | | 13,71,859 | 2,17,826 |
| Mace | | | | 2,858½ | 11,045 |
| Nutmegs | | | | 2,524 | 4,419 |
| Pepper | | | 55 | 12 | 675 |
| Ditto, Long | | | 34 | 12 | 334 |
| Spirits, Gin | 2,470 gallons | | | | 2,579 |
| Stationery | | | | | 43,642 |
| Sugar | | | 49,249 | 6 | 4,96,456 |
| Sugarcandy | | | 23,879 | 84 | 5,26,554 |
| Sundries | | | | | 1,71,074 |
| Tea | | | | 6,79,317 | 4,35,787 |
| Tobacco, Cigars | 481 boxes | | | | 9,620 |
| Twist | | | | 660 | 825 |
| Umbrellas | 14,108 cases | | | | 94,646 |
| Vermillion | 2,908 bundles | | | | 14,150 |
| Wines: | | | | | |
| Champagne | 108 dozens | | | | 2,160 |
| Lisbon | 469 gallons | | | | 703 |
| Sherry | 2 quarter casks | | | | 72 |
| Wood | 11 pieces, and | | 72 | 101 | 2,771 |
| Woollens | 100 pieces | | | | 1,912 |
| | Merchandize | | | | 49,64,385 |
| | Treasure { Gold | | *Rs.* 1,51,490 | | |
| | Treasure { Silver | | 1,49,53,254 | | |
| | | | | | 1,51,04,744 |
| | TOTAL | | | *Rs.* | 2,00,69,129 |

* The produce chiefly of Java and Ceylon, but imported in China ships.

IMPORTS from *China* in 1843–44.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - - - | - - | - - | - - | 15,747 |
| Beads | - - - | - - | - - | - - | 46,605 |
| Betelnut | - - - | - - | 1,143 | 110 | 4,671 |
| Beer | 9 hogsheads - | - - | - - | - - | 450 |
| China and Earthenware | - - - | - - | - - | - - | 81,256 |
| Cochineal | - - - | - - | - - | 5,810 | 11,620 |
| Coir | - - - | - - | 550 | 6 | 2,081 |
| Eatables and Confectionery | - - - | - - | - - | - - | 34,568 |
| Fireworks | 6,084 chests - | - - | - - | - - | 82,478 |
| Glass, of Kinds | - - - | - - | - - | - - | 8,217 |
| Gum of Sorts | - - - | - - | 107 | 15 | 2,917 |
| Hardware and Cutlery | - - - | - - | - - | - - | 8,524 |
| Hemp | - - - | - - | 35 | 86 | 195 |
| Ivory, Elephants' Teeth | - - - | - - | 1 | 43 | 125 |
| Indigo | - - - | - - | - - | 11,438 | 5,569 |
| Jewellery and Watches | - - - | - - | - - | - - | 6,256 |
| Liquors | 9 dozens - | - - | - - | - - | 108 |
| Marine Stores | - - - | - - | - - | - - | 3,362 |
| Medicines and Drugs | - - - | - - | 20,932 | 5 | 1,93,136 |
| Metals: | | | | | |
| Brass, Old | - - - | - - | 9 | 55 | 453 |
| Coper, American | - - - | 113 | 11 | 16 | 1,13,560 |
| Old | - - - | 5 | 5 | 20 | 4,733 |
| White | - - - | 2 | 2 | 34 | 7,202 |
| Tin | - - - | 26 | 12 | 27 | 18,114 |
| Oil, of Sorts | 18 gals. and 59 D. | - - | - - | - - | 1,051 |
| Piece Goods: | | | | | |
| China Cotton | 890 pieces - | - - | - - | - - | 10,507 |
| China Silk | 30,646 pieces - | - - | - - | - - | 4,31,812 |
| Shawls | 14 pieces - | - - | - - | - - | 786 |
| British, Plain | 756 pieces - | - - | - - | - - | 1,913 |
| Dyed | 398 pieces - | - - | - - | - - | 1,198 |
| Printed | 195 pieces - | - - | - - | - - | 975 |
| Precious Stones, Pearls | - - - | - - | - - | - - | 2,500 |
| Plated Ware | - - - | - - | - - | - - | 21,206 |
| Quicksilver | - - - | - - | - - | 36,044 | 72,088 |
| Silk, Raw | - - - | - - | - - | 7,83,662 | 16,00,750 |
| Spirits, Gin | 1,240 gallons - | - - | - - | - - | 1,240 |
| Spices: | | | | | |
| Cassia | - - - | - - | - - | 8,34,290½ | 1,56,028 |
| Cardamoms | - - - | - - | 25 | 77 | 2,275 |
| Mace | - - - | - - | - - | 566½ | 1,133 |
| Nutmegs | - - - | - - | - - | 12,347 | 11,233 |
| Pepper, Long | - - - | - - | 38 | 10 | 933 |
| Stationery | - - - | - - | - - | - - | 34,843 |
| Sugar | - - - | - - | 64,883 | 88 | 5,83,883 |
| Sugarcandy | - - - | - - | 20,521 | 48 | 2,80,671 |
| Sundries | - - - | - - | - - | - - | 3,79,130 |
| Saddlery | - - - | - - | - - | - - | 160 |
| Tea | - - - | - - | - - | 6,54,468 | 4,09,183 |
| Tobacco | - - - | - - | 197 | 13 | 8,031 |
| Cigars | - - - | - - | 178 | 48 | 49,960 |
| Twist, British | - - - | - - | - - | 1,230 | 1,515 |
| Toys | - - - | - - | - - | - - | 101 |
| Umbrellas | 3,938 chests - | - - | - - | - - | 1,11,832 |
| Vermillion | 44,460 bundles - | - - | - - | - - | 44,460 |
| Wine, Lisbon | 205 gallons - | - - | - - | - - | 1,054 |
| Wood, of Sorts | 74 pieces, and - | - - | 141 | 83 | 2,908 |
| Woollen | 15 pieces - | - - | - - | - - | 300 |
| | Merchandize - - - - - - | | | | 48,77,606 |
| | Treasure { Gold - - *Rs.* 17,23,227 | | | | |
| | Silver - - - 2,75,06,783 | | | | 2,92,30,010 |
| | TOTAL - - - *Rs.* | | | | 3,41,07,616 |

Bombay, Custom-House,
6 August 1844.

*H. H. Glass,*
Collector of Customs.

Appendix, No. 3.

Trade between Bombay and China.

EXPORTS to *China* in 1838–39.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - - - | - | - | - | 1,200 |
| Beer | 4 ¼ hogsheads | - | - | - | 288 |
| Cotton | 184,089 ½ bales | - | - | 6,76,72,812 | 92,71,593 |
| Gums: | | | | | |
| Olibanum | - - - | - | 1,400 | 80 | 6,073 |
| Other Sorts | - - - | - | 177 | 38 | 770 |
| Hardware and Cutlery | - - - | - | - | - | 1,752 |
| Horns, Gynda | - - - | - | 53 | 111 | 1,162 |
| Ivory, Elephants' Teeth | - - - | - | 457 | 29 | 77,593 |
| Medicines and Drugs | - - - | - | 10 | 58 | 12,209 |
| Mother o' Pearl Shells | - - - | - | 1,388 | 29 | 16,147 |
| Oil, of Sorts | - - - | - | 13 | 26 | 3,015 |
| Opium | 17,353 chests | - | - | - | 1,58,47,400 |
| Precious Stones: | | | | | |
| Cornelians | - - - | - | - | - | 66,250 |
| Pearls | - - - | - | - | - | 7,11,357 |
| Piece Goods: | | | | | |
| Cashmere Shawls | 11 number | - | - | - | 4,225 |
| Country, of Sorts | 3,115 pieces | - | - | - | 14,320 |
| Safflower | - - - | - | 33 | 104 | 735 |
| Salt | - - - | 160 | - | - | 400 |
| Sharkfins and Fishmaws | - - - | - | 9,090 | 42 | 3,69,041 |
| Spices, of Sorts | - - - | - | 2 | 3 | 231 |
| Spirits | 139 gallons | - | - | - | 193 |
| Stationery | - - - | - | - | - | 1,500 |
| Sundries | - - - | - | - | - | 245 |
| Wine | 767 ½ gallons | - | - | - | 2,322 |
| Wood, Sandal | - - - | - | 15,800 | 103 | 2,51,113 |
| Woollens | 300 pieces | - | - | - | 6,900 |
| | | Merchandize | | | 2,66,68,034 |
| | | Treasure, Silver | | | 17,000 |
| | | TOTAL | | *Rs.* | 2,66,85,034 |

EXPORTS to *China* in 1839–40.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - - - | - | - | - | 1,075 |
| Beer | 21 ½ hogsheads | - | - | - | 1,272 |
| Cotton | 7,9,661 bales | - | - | 2,91,68,699 | 50,06,830 |
| Eatables and Confectionery | - - - | - | - | - | 402 |
| Glass, of Sorts | - - - | - | - | - | 725 |
| Gum Olibanum | - - - | - | 1,052 | 74 | 6,732 |
| Horns, Gynda | - - - | - | 35 | 85 | 1,666 |
| Ivory, Elephants' Teeth | - - - | - | 291 | 13 | 61,126 |
| Leather and Saddlery | - - - | - | - | - | 483 |
| Medicines and Drugs | - - - | - | 56 | 110 | 9,831 |
| Metals, Copper Sheathing | - - - | 1 | 10 | - | 1,600 |
| Mother o'Pearl Shells | - - - | - | 60 | - | 300 |
| Oil, of Sorts | - - - | - | 12 | 76 | 4,641 |
| Opium | 193 chests | - | - | - | 1,93,000 |
| Precious Stones: | | | | | |
| Cornelians | - - - | - | - | - | 32,803 |
| Pearls | - - - | - | - | - | 5,25,720 |
| Perfumery and Toys | - - - | - | - | - | 650 |
| Piece Goods: | | | | | |
| British, White | 145 pieces | - | - | - | 1,200 |
| Country, of sorts | 2,530 „ | - | - | - | 10,300 |
| Sharkfins and Fishmaws | - - - | - | 5,434 | 62 | 2,59,222 |
| Spirits, Brandy | 72 gallons | - | - | - | 311 |
| Sundries | - - - | - | - | - | 1,869 |
| Wine | 827 gallons | - | - | - | 3,770 |
| Wood, of Sorts | - - - | - | 5,673 | 56 | 86,077 |
| | | Merchandize | | | 62,11,605 |
| | | Treasure, Silver | | | 1,30,800 |
| | | TOTAL | | *Rs.* | 63,42,405 |

EXPORTS to *China* in 1840–41.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Beer | 33½ hhds. | - | - | - | 1,836 |
| Coffee | - | - | - | 272 | 90 |
| Coir and Coir Rope | - | - | 48 | 28 | 225 |
| Cotton | 83,765½ bales | - | - | 3,37,11,049 | 48,77,869 |
| Eatables and Confectionery | - | - | - | - | 1,803 |
| Gums: | | | | | |
| Olibanum | - | - | 255 | 56 | 2,135 |
| Other Sorts | - | - | 383 | 28 | 1,535 |
| Hardware and Cutlery | - | - | - | - | 800 |
| Horns, Gynda | - | - | 101 | 38 | 4,313 |
| Ivory, Elephants' Teeth | - | - | 206 | 74 | 32,478 |
| Leather and Saddlery | - | - | - | - | 100 |
| Marine Stores | - | - | - | - | 600 |
| Medicines and Drugs | - | - | 482 | 31 | 19,655 |
| Metals: | | | | | |
| Iron, British Bar | - | 9 | 4 | 73 | 943 |
| Hoop | - | - | 9 | - | 45 |
| Mother-o'-pearl Shells | - | - | 196 | - | 1,764 |
| Oil of Sorts | - | - | - | 3,654 | 5,400 |
| Opium | 12,022½ chests | - | - | - | 87,36,847 |
| Precious Stones: | | | | | |
| Cornelians | - | - | - | - | 91,887 |
| Pearls | - | - | - | - | 1,47,709 |
| Piece Goods: | | | | | |
| British, Printed | 360 pieces | - | - | - | 2,640 |
| White | 21 pieces | - | - | - | 168 |
| Cashmere Shawls | 19 number | - | - | - | 1,130 |
| Country of Sorts | 551 pieces | - | - | - | 2,910 |
| Perfumery and Toys | - | - | - | - | 350 |
| Sharkfins and Fishmaws | - | - | 7,568 | 5 | 3,88,446 |
| Spices, Almonds | - | - | 12 | - | 150 |
| Spirits, Brandy | 3,855 gallons | - | - | - | 7,692 |
| Sundries | - | - | - | - | 20,759 |
| Wine, of Sorts | 1,455 gallons | - | - | - | 8,304 |
| Wood, of Sorts | - | - | 9,451 | 85 | 2,66,014 |
| | | Merchandize | - | - | 1,46,26,597 |
| | | Treasure, Silver | - | - | 10,000 |
| | | TOTAL | - | *Rs.* | 1,46,36,597 |

EXPORTS to *China* in 1841–42.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - | - | - | - | 924 |
| Beer | 12 hhds. | - | - | - | 695 |
| Cochineal | - | - | - | 14,833 | 50,850 |
| Cotton | 128,910½ bales | - | - | 4,74,09,464 | 63,08,196 |
| Earthenware | - | - | - | - | 2,455 |
| Eatables and Confectionery | - | - | - | - | 820 |
| Ghee | - | - | 11 | - | 220 |
| Glass, Looking and Window | - | - | - | - | 2,648 |
| Guns and Pistols | 1 case | - | - | - | 100 |
| Gums: | | | | | |
| Olibanum | - | - | 1,297 | 76 | 6,286 |
| Other Sorts | - | - | 101 | 56 | 1,933 |
| Hardware and Cutlery | - | - | - | - | 370 |
| Horns, Gynda | - | - | 171 | 1 | 3,738 |
| Ivory, Elephants' Teeth | - | - | 112 | 58 | 17,695 |
| Leather and Saddlery | - | - | - | - | 240 |
| Medicines and Drugs | 1 case and | - | 160 | 69 | 20,041 |
| Mother-o'-pearl Shells | - | - | 175 | 56 | 1,329 |
| Oil, of Sorts | - | - | - | 162 | 841 |
| Opium | 14,943 chests | - | - | - | 1,03,22,215 |

Appendix, No. 3.

Trade between Bombay and China.

Exports to *China* in 1841–42—*continued.*

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Precious Stones: | | | | | |
| Cornelians | - | - | - | - | 18,797 |
| Pearls | - | - | - | - | 3,16,197 |
| Piece Goods: | | | | | |
| British, White | 5,433 pieces | - | - | - | 21,092 |
| Silk | 180 pieces | - | - | - | 1,650 |
| Country of Sorts | 117 pieces | - | - | - | 490 |
| Silk | 371 pieces | - | - | - | 1,550 |
| Plate, Plated Ware, Jewellery, and Watches. | - | - | - | - | 125 |
| Perfumery and Toys | - | - | - | - | 2,875 |
| Sharkfins and Fishmaws | - | - | 9,452 | 51 | 3,45,568 |
| Spirits of Sorts | 2,405 ½ gallons | - | - | - | 4,114 |
| Stationery | - | - | - | - | 2,300 |
| Sundries | - | - | - | - | 33,679 |
| Wine, of Sorts | 4,358 gallons | - | - | - | 23,763 |
| Wood, of Sorts | - | - | 14,002 | 47 | 2,49,157 |
| Woollens, British | 755 pieces | - | - | - | 22,069 |
| | | | Merchandize | - | 1,77,85,022 |
| | | | Treasure, Silver | - | 4,765 |
| | | | TOTAL | *Rs.* | 1,77,89,787 |

EXPORTS to *China* in 1842–43.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - | - | - | - | 4,638 |
| Beer | 40 hhds. & 282 doz. | - | - | - | 4,215 |
| Betelnut | - | - | 4 | 84 | 50 |
| China and Earthenware | - | - | - | - | 130 |
| Cochineal | - | - | - | 24,766 | 78,889 |
| Coffee | - | - | - | 1,680 | 408 |
| Coir | - | - | 18 | 84 | 168 |
| Cornelians or Agates | - | - | - | - | 67,253 |
| Cotton | 2,12,661 ½ bales | - | - | 7,64,44,744 | 94,89,441 |
| Eatables and Confectionery | - | - | - | - | 2,164 |
| Ghee | - | - | 2 | 56 | 70 |
| Glass, of Kinds | - | - | - | - | 300 |
| Grain | 200 bags | - | - | - | 1,000 |
| Gums: | | | | | |
| Animi | - | - | 213 | 56 | 6,102 |
| Arabic | - | - | 2 | 98 | 36 |
| Olibanum | - | - | 3,974 | 88 | 23,697 |
| Other Sorts | - | - | 1,981 | 15 | 13,900 |
| Hardware and Cutlery | - | - | - | - | 3,907 |
| Horns | - | - | 116 | 109 | 7,418 |
| Ivory, Elephants' Teeth | - | - | 360 | 78 | 49,610 |
| Leather and Saddlery | - | - | - | - | 66 |
| Marine Stores | - | - | - | - | 136 |
| Medicines and Drugs | 1 case and | - | 1,015 | 27 | 35,777 |
| Metals: | | | | | |
| Copper, Bolt | - | 3 | 1 | 19 | 3,503 |
| Nails | - | - | 14 | - | 1,032 |
| Sheathing | - | 1 | 6 | 82 | 1,547 |
| Tile | - | 5 | - | 11 | 3,566 |
| Iron, British, Nail | - | 49 | 13 | - | 10,936 |
| Rod | - | 27 | 14 | 76 | 2,643 |
| Sheet | - | 12 | 18 | 25 | 1,232 |
| Tin | - | - | 11 | 41 | 500 |
| Plate | 300 boxes | - | - | - | 4,500 |
| Lead, Pig and Sheet | - | 29 | 19 | 95 | 5,999 |
| Oil, of Sorts | - | - | 3 | 6 | 2,873 |
| Opium | 18,241 chests | - | - | - | 1,61,59,002 |
| Paint, Red Lead | - | 15 | - | - | 3,600 |

EXPORTS to *China* in 1842–43—*continued.*

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Perfumery and Toys | - | - | - | - | 110 |
| *Piece Goods:* | | | | | |
| Dyed Cotton | 160 pieces | - | - | - | 1,110 |
| Printed ditto | 405 pieces | - | - | - | 5,052 |
| Plain ditto | 2,023 pieces | - | - | - | 14,715 |
| Silk | 1,176 pieces | - | - | - | 20,359 |
| Country Cottons | 387 pieces | - | - | - | 2,007 |
| Shawls, Cashmere | 51 number | - | - | - | 7,440 |
| Plate and Plated Ware | - | - | - | - | 1,200 |
| Precious Stones, Pearls | - | - | - | - | 4,59,054 |
| Sharkfins and Fishmaws | - | - | 9,120 | 21 | 2,78,418 |
| Silk, Raw | - | - | - | 65 | 300 |
| Spirits: | | | | | |
| Arrack | 1,094 gallons | - | - | - | 694 |
| Brandy | 2,863 gallons | - | - | - | 5,906 |
| Rum | 122 gallons | - | - | - | 122 |
| Whiskey | 40 gallons | - | - | - | 40 |
| Stationery | - | - | - | - | 6,461 |
| Sundries | - | - | - | - | 26,398 |
| Tea | - | - | - | 600 | 360 |
| Tobacco | - | - | - | 234 | 25 |
| Cigars | 119 boxes | - | - | - | 348 |
| Tortoise Shell | - | - | - | 683 | 5,155 |
| Wines: | | | | | |
| Champagne | 15 dozens | - | - | - | 330 |
| Claret | 41 dozens | - | - | - | 620 |
| Madeira | 47 dozens | - | - | - | 549 |
| Port | 785 gallons | - | - | - | 3,510 |
| Sherry | 12 doz. & 911½ gals. | - | - | - | 4,473 |
| Wood, of Kinds | - | - | 14,117 | 68 | 2,61,021 |
| Woollens, British | 773 pieces | - | - | - | 8,391 |
| | | | Merchandize | - - - | 2,71,04,466 |
| | | | Treasure, Silver | - - - | 750 |
| | | | TOTAL | - - - *Rs.* | 2,71,05,216 |

EXPORTS to *China* in 1843–44.

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Apparel | - | - | - | - | 2,563 |
| Beer | 675 dozens | - | - | - | 2,538 |
| Beads | - | - | - | - | 123 |
| China Earthenware | - | - | - | - | 300 |
| Coffee | - | - | - | 336 | 72 |
| Cotton | 259,051½ bales | - | - | 9,50,22,855 | 1,07,17,945 |
| Coir | - | - | 100 | - | 405 |
| Coral | - | - | - | - | 4,000 |
| Cornelians or Agates | - | - | - | - | 66,586 |
| Eatables | - | - | - | - | 244 |
| Fishmaws | - | - | 3,979 | 15 | 2,78,617 |
| Glass, of Sorts | - | - | - | - | 840 |
| Gums: | | | | | |
| Olibanum | - | - | 6,430 | 63 | 31,082 |
| Other, of Sorts | - | - | 2,546 | 7 | 17,083 |
| Hardware and Cutlery | - | - | - | - | 665 |
| Horns | - | - | 256 | 41 | 9,824 |
| Ivory, Elephants' Teeth | - | - | 880 | 50 | 1,16,212 |
| Jewellery and Watches | - | - | - | - | 235 |
| Liqueurs | 12 dozen | - | - | - | 246 |
| Medicines and Drugs | - | - | 1,134 | 11 | 46,509 |

(*continued*)

Appendix, No. 3.

Trade between Bombay and China.

EXPORTS to *China* in 1843–44—*continued.*

| | QUANTITY. | WEIGHT. | | | VALUE. |
|---|---|---|---|---|---|
| | | *Tons.* | *Cwts.* | *Lbs.* | *Rs.* |
| Metals: | | | | | |
| Copper Nails | | | | 40 | 20 |
| Copper Sheathing | | | 2 | 12 | 119 |
| Iron, Old | | 50 | | | 4,764 |
| Iron, Kentledge | | 20 | | | 600 |
| Tin Plate | 25 boxes | | | | 375 |
| Mother of Pearls Shell | | | 538 | 64 | 3,362 |
| Oil, of Sorts | | | | 84 | 300 |
| Opium | 22,461½ chests | | | | 2,69,41,880 |
| Paint | | | 36 | 56 | 730 |
| Piece Goods: | | | | | |
| Dyed Cotton | 100 pieces | | | | 1,096 |
| Plain Cotton | 3,311 pieces | | | | 19,448 |
| Silk, Country | 1,124 pieces | | | | 9,961 |
| Silk, China | 461 pieces | | | | 3,594 |
| Shawls, Cashmere | 2, number | | | | 1,200 |
| Precious Stones, Pearls | | | | | 3,19,377 |
| Sharkfins | | | 8,478 | 94 | 1,82,134 |
| Saddlery | | | | | 850 |
| Spirits | 25 gallons | | | | 279 |
| Sundries | | | | | 23,694 |
| Wine, Sherry | 170½ doz. & 112 gals. | | | | 3,689 |
| Wood, of Sorts | | | 5,007 | 12 | 64,378 |
| Woollen, British | 551 pieces | | | | 7,890 |
| | | Merchandize | | | 3,88,85,919 |
| | | Horses | | | 1,500 |
| | | TOTAL | | *Rs.* | 3,88,87,419 |

Bombay Custom House,
5 August 1844.

*H. H. Glass,*
Collector of Customs.

To the Hon. R. M. Martin,
Her Majesty's Treasurer, China.

## (9.)

## REPORT on the TEA TRADE, transmitted to Her Majesty's Government from *China*, in July 1845.—By *R. M. Martin.*

Report on the Tea Trade.

THE traffic in an innutritious herb, grown almost solely in one district of Asia, and in a country hitherto isolated from the western nations, is one of the most remarkable illustrations of the enterprize and energy of modern commerce. A trade involving British capital to the extent of about 10,000,000*l.* sterling, furnishing regular employment to about 60,000 tons of first-class English-built shipping, contributing nearly 5,000,000*l.* sterling of annual revenue to the Exchequer, and influencing materially the morals and sobriety of the nation, deserves investigation in detail, as regards its rise, progress, and present condition.

The tea plant, although found in different parts of the eastern hemisphere, is probably indigenous to China, or Japan, where it is extensively cultivated. The earliest record to be found of the use of tea is in the records of the Moorish historians and travellers in the end of the eighth century, at which period the Mahommedans had free ingress and residence in China, subject to very few restrictions.

Ibu Batuta mentions that the emperor received the revenues from salt; that paper money, bearing the government stamp, was current in the country; and that the general drink of the people was prepared by immersing the leaves of a small plant in hot water, which was used medicinally as well as for correcting the bad properties of the water.

Soliman, an Arabian merchant, who visited China, A.D. 850, describes "sah" (tea), as the usual beverage of the people.

Texeira, a Spaniard, in 1600, saw dried leaves (of tea) at Malacca, which were in use among the Chinese. Olearius, in 1633, found the use of tea pretty general among the Persians, who procured it from China by means of the Usbeck Tartars. The Russian ambassador (Stawkaw) to the court of the Mogul Chau Shau Attyn, partook of tea, and at his departure he was offered it for the Czar Michael Romanoff, which he refused, not knowing of what use it would be in Russia.

Of the first introduction of tea into Europe we know but little. In 1517, Emmanuel, King of Portugal, sent a fleet of eight ships to China, and an ambassador to Pekin, who obtained permission to open a trade; but it was not until after the formation of the Dutch East India Company in 1602, that the use of tea became known on the continent, and although

although the enterprizing Hollanders paid considerable attention to it, as an article of commerce, the consumption increased but little, for in 1670 it was unknown in Dort. The Dutch, in their second voyage to China, bought a good deal of tea, at from 8*d.* to 10*d.* per pound (the price at the present day), which, although of a middling quality, sold in Paris for 30 livres a pound; and for some years the best Japanese tea, esteemed as much better than that of China, brought from 100 to 200 livres per pound in France, until the use of coffee and chocolate became fashionable and general.

The first authentic notice to be found of tea in England, is in an Act of Parliament (12 Car. II, c. 23) A. D. 1660, by which a duty of 8*d.* per gallon was laid on all tea made and sold in coffee-houses; and by an Act framed in the same year the duties of excise on malt liquor, cyder, perry, meal, spirits, or strong waters, coffee, tea, sherbet, and chocolate were settled on the king for life. In the diary of Mr. Pepys, secretary of the Admiralty, there is found under date 25th September 1661, the following memorandum relative to tea: "I sent for a cup of tea, a Chinese drink, of which I had never drank before." In 1662, Charles the Second married the Princess Catherine of Portugal, who it is said was fond of tea, having been accustomed to it in her own country, hence it became fashionable in England. Waller, in a birth-day ode on her Majesty, ascribes the introduction of the herb to the queen in the following lines:

"The best of queens and best of herbes we owe
To that bold nation who the way did show
To the fair region where the sun doth rise,
Whose rich productions we so justly prize."

The same poet attributes an inspiring power to the Chinese leaf:

"The muses' friend, tea, does our fancy aid,
Repress those vapours which the head invade."

In 1660 tea was sold in England at three guineas per pound. The following copy of an advertisement in 1680, shows the price of the leaf, and the mode of vending it to the public:

"These are to give notice to persons of quality, that a small parcel of most excellent tea is by accident fallen into the hands of a private person to be sold; but that none may be disappointed, the lowest price is thirty shillings a pound, and not any to be sold under a pound weight, for which they are desired to bring a convenient box. Enquire at Mr. Thomas Eagle's, at the King's Head, in St. James's Market."—*London Gazette*, 16 December 1680.

In 1666 Lords Arlington and Ossory brought a quantity of tea from Holland; its price in England then was 60*s.* per pound. About this period, the East India Company being desirous of presenting a rarity to his Majesty, procured 22 lbs. of tea, which was thought a valuable offering to royalty.

Heretofore the small quantity used in England was obtained from the Continent; for in 1634, some English ships having visited Canton, a rupture took place between our seamen and the Chinese, and trade was for some time interdicted; but in 1668 the Court of Directors, in the despatch to their factories at Bantam in Java, ordered them to send home by their ships 100 lbs. weight of the best tea they could get. And accordingly, in 1669, the East India Company's first invoice of tea was received, amounting to two canisters of 143 ½ lbs. Such was the commencement of a trade which, by the most judicious management, has now risen to an importation of upwards of 50,000,000 lbs. weight. That a careful proportioning of the supply to the demand was absolutely necessary, will be evident from the following fact, which at this early period operated as a warning to the Company, and has since proved highly beneficial to the commerce. In 1678 the East India Company imported 4,713 lbs. of tea; but this then large quantity completely glutted the market, for the imports of tea during the ensuing six years amounted in all to only 318 lbs. In 1680 the Company opened a direct trade with China.

In 1689 the old mode of levying the duty on tea, viz. by the quantity made in the coffee-houses, being found very uncertain as well as vexatious, an Act of 1 Gul. & Mar., sess. 2, c. 6, fixed a custom duty of 5*s.* a pound, together with the former sum of five per cent. on the value.

For some time the consumption of tea slowly increased in England, in consequence of the high rate of duty, which was sometimes as high as 200 per cent. on the sale price.

A considerable degree of smuggling arose, which was only put down by lowering the taxation. During the years 1697, 1698, and 1699, the East India Company imported on an average 20,000 lbs. of tea annually. In 1700 the importation was augmented to 60,000 lbs. a year, the average price of tea being 16*s.* per pound. In 1721 the importation of tea into England exceeded for the first time 1,000,000 lbs.; and at the September sale in 1728, the quantity put up for sale was 769,104 lbs., the duty on which amounted to 153,820*l.* sterling.

The bill of cargo of the Cæsar, which arrived from China 17th May 1726, has entered in it 358,000 lbs. of tea, the duty on which was £. 71,620 sterling. Since the commencement of the present century the annual consumption of tea in the United Kingdom has increased by upwards of 20,000,000 of pounds, while its use during the same period has been decreasing in Europe and America. In the space of 100 years, from 1710 to 1810, there were sold at the East India Company's sales 750,219,016 lbs. of tea, the value of which was 129,804,595*l.* sterling. Of this quantity of tea 116,470,675 lbs. were re-exported. Since the commencement of the present century, 1,385,949,566 lbs. of tea have been sold in

Appendix, No. 3.

Report on the Tea Trade.

England, and there has been paid into the British Exchequer about £. 167,643,702 sterling on the above-mentioned quantity of tea!

The following Table will explain the rise and progress of the British tea trade, in reference to the quantity of tea annually exported from 1669 to 1845, the quantity sold or retained for consumption, the rate of duty levied thereon, the amount of revenue paid yearly into the British Exchequer, the price per lb., &c.

The exports from China for the seasons commencing 1st July and ending 30th June 1844, 1845, and 1846, were—

| | 1844. | 1845. | 1846. |
|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* |
| Congou* | 38,508,849 | 34,878,261 | |
| Caper | 498,066 | 1,355,025 | |
| Souchong | 1,562,603 | 1,372,508 | |
| Black-leaf Pekoe | 273,827 | 137,061 | |
| Pouchong | | 47,525 | |
| Sorts | 54,920 | 414,546 | |
| Flowery Pekoe | 453,277 | 534,751 | |
| Orange ditto | 1,105,978 | 1,796,542 | |
| Total Black Tea | 42,547,520 | 40,476,919 | |
| Twankay | 4,079,147 | 2,951,474 | |
| Hyson Skin | 575,801 | 292,052 | |
| Hyson | 1,274,123 | 2,103,185 | |
| Young Hyson | 1,465,177 | 2,963,697 | |
| Imperial | 597,678 | 1,233,328 | |
| Gunpowder | 1,304,531 | 2,315,691 | |
| TOTAL | 9,296,547 | 11,859,427 | |

Total for 1844 - - - - 51,844,067 lbs., in 101 ships.
„ 1845 - - - - 52,336,946 lbs., in 103 „
„ 1846 - - - - in

During 1844–45 ninety-five ships loaded at Canton, seven at Shanghai, and one at Hong Kong, to which latter place some tea had been brought from the northward, where freights were scarce. The cargo of the barque "Nautilus," the first vessel that loaded at the northern ports under the new Treaty, consisted of, Congou, 144,545 lbs.; Pekoe, 575 lbs.; Twankay, 87,770 lbs.; Hyson Skin, 3,413 lbs.; Hyson, 414 lbs.; Young Hyson, 7,636 lbs.; Gunpower, 1,351 lbs.; Imperial, 721 lbs. Total, 246,545 lbs.

* 11,193 lbs. of Bohea are included in this.

IMPORT DELIVERIES and STOCK OF TEA in the *United Kingdom*, ending 31 December 1845, 1844, and 1843.

| | IMPORTS. | | | DELIVERIES. | | | Stock 31 December. | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1845. | 1844. | 1843. | 1845. | 1844. | 1843. | 1845. | 1844. | 1843. |
| | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* |
| Bohea, Canton | - | 72,000 | 134,000 | 152,000 | 152,000 | 218,000 | - | 434,000 | 514,000 |
| Ditto, Fokein | - | - | - | - | 9,000 | 26,000 | - | 3,000 | 12,000 |
| Congou | - | 35,328,000 | 33,739,000 | - | 33,282,000 | 29,865,000 | - | 29,823,000 | 27,777,000 |
| Pouchong | - | 764,000 | 2,493,000 | - | 1,426,000 | 1,649,000 | - | 1,096,000 | 1,758,000 |
| Caper | - | 434,000 | 352,000 | - | 407,000 | 357,000 | - | 282,000 | 255,000 |
| Souchong | - | 1,350,000 | 1,085,000 | - | 944,000 | 1,073,000 | - | 1,376,000 | 970,000 |
| Flower and Black Leaf Pekoe and H. Muey | - | 538,000 | 759,000 | - | 723,000 | 777,000 | - | 349,000 | 534,000 |
| Orange Pekoe | - | 995,000 | 855,000 | - | 996,000 | 1,146,000 | - | 378,000 | 379,000 |
| Twankay | - | 3,543,000 | 3,431,000 | - | 3,740,000 | 3,241,000 | - | 2,390,000 | 2,587,000 |
| Hyson Skin | - | 505,000 | 316,000 | - | 379,000 | 230,000 | - | 423,000 | 297,000 |
| Hyson | - | 1,460,000 | 1,545,000 | - | 1,608,000 | 2,419,000 | - | 878,000 | 1,026,000 |
| Young Hyson | - | 1,332,000 | 860,000 | - | 1,325,000 | 1,163,000 | - | 529,000 | 522,000 |
| Imperial and Gunpowder | - | 1,827,000 | 1,141,000 | - | 1,456,000 | 3,935,000 | - | 806,000 | 435,000 |
| Sorts | - | 203,000 | 141,000 | - | 118,000 | 125,000 | - | 230,000 | 145,000 |
| For Exportation only | - | 42,000 | 2,000 | - | 112,000 | 73,000 | - | 110,000 | 180,000 |
| TOTAL *Lbs.* | - | 48,393,000 | 46,853,000 | - | 46,677,000 | 44,297,000 | - | 39,107,000 | 37,391,000 |
| Black | - | 39,644,000 | 39,513,000 | - | 38,092,000 | 35,243,000 | - | 33,968,000 | 32,416,000 |
| Green | - | 8,749,000 | 7,340,000 | - | 8,585,000 | 9,054,000 | - | 5,139,000 | 4,975,000 |

The distribution of tea to different parts of the United Kingdom is thus shown for 1844:

| | *Lbs.* |
|---|---|
| London, 60 vessels, containing | 33,436,887 |
| Liverpool, 25 ditto | 110,108,552 |
| Dublin, 4 ditto | 1,143,471 |
| Clyde, 4 ditto | 1,716,142 |
| Bristol, 2 ditto | 1,060,978 |
| Leith, 2 ditto | 478,089 |
| Hull, 1 ditto | 423,143 |
| Belfast, 1 ditto | 252,000 |

Ireland is largely supplied from Liverpool, but Dublin now imports direct from China nearly one-third of the quantity of the tea used in Ireland.

While the East India Company had the monopoly of the trade, their shipments were made at one period of the year, viz., in November, December, January, and February; and latterly the select committee at Canton purchased during the spring, at low prices, the teas which were left unsold at the usual period, and which were termed winter teas; this, however, was only done to a limited extent, lest an inferior article should be imported. Now the trade is more equally diffused over the whole year, although the best seasons for sailing from China to England are from November to February; during which period also the bulk of the teas arrive in Canton, and command the largest exports. The diffusion of exports throughout the year will be seen by the following returns for 1844.

TEAS Exported from *China* to *Great Britain* between 1 July 1843 and 30 June 1844, in 96 Ships.
(Saghalien and City of Derry loading.)

| DATE. | Bohea. | Congou. | Caper. | Souchong and Campoi. | Black-leaf Pekoe and H. Muey. | Flowery Pekoe. | Orange Pekoe. | Sorts. | Total Black. |
|---|---|---|---|---|---|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* |
| July | - | 1,409,868 | 1,610 | 44,402 | - | 34,100 | 42,550 | - | 1,532,530 |
| August | - | 367,106 | - | - | - | - | 8,018 | - | 375,124 |
| September | - | 755,020 | - | 6,200 | - | - | - | - | 761,220 |
| October | - | 3,935,545 | 18,387 | 94,929 | 5,079 | 182,291 | 118,189 | 453 | 4,354,873 |
| November | - | 5,968,774 | 29,531 | 260,253 | 64,112 | 80,429 | 275,841 | 5,195 | 6,684,135 |
| December | - | 4,725,895 | 80,842 | 172,224 | 20,082 | 41,188 | 232,849 | - | 5,273,080 |
| January | - | 5,234,968 | 46,311 | 124,311 | 64,985 | 17,686 | 84,552 | 8,208 | 5,581,021 |
| February | - | 4,155,958 | 127,900 | 299,252 | 38,762 | 19,145 | 232,244 | 2,216 | 4,875,477 |
| March | 9,540 | 3,207,845 | 104,667 | 114,294 | 3,866 | 23,599 | 36,884 | 21,783 | 3,522,478 |
| April | 1,653 | 2,929,938 | 19,074 | 104,235 | 9,749 | 40,586 | 5,693 | 4,208 | 3,115,136 |
| May | - | 4,059,905 | 62,715 | 334,308 | 67,192 | 14,253 | 9,500 | 13,565 | 4,561,438 |
| June | - | 1,565,996 | 7,028 | 8,195 | - | - | 57,750 | 1,100 | 1,640,069 |
| TOTAL | 11,193 | 38,316,818 | 498,065 | 1,562,603 | 273,827 | 453,277 | 1,104,070 | 56,728 | 42,276,581 |

| Hyson. | Young Hyson. | Hyson Skin. | Twankay. | Imperial. | Gunpowder. | Total Green. | GRAND TOTAL. | DATE. |
|---|---|---|---|---|---|---|---|---|
| *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | |
| 39,555 | 222,655 | 12,336 | 410,430 | 41,365 | 61,884 | 788,225 | 2,320,755 | July. |
| - | - | 6,115 | - | - | - | 6,115 | 381,239 | August. |
| - | - | - | - | - | - | - | 761,220 | September. |
| 50,951 | 236,296 | 20,232 | 294,745 | 48,764 | 106,121 | 757,109 | 5,111,982 | October. |
| 29,793 | 307,771 | - | 113,748 | 19,097 | 62,436 | 532,845 | 7,216,980 | November. |
| 45,882 | 151,483 | 16,582 | 134,823 | 63,227 | 141,407 | 553,404 | 5,826,484 | December. |
| 107,408 | 70,039 | 96,948 | 280,042 | 109,554 | 275,171 | 939,162 | 6,520,183 | January. |
| 392,790 | 176,764 | 102,823 | 1,064,887 | 170,677 | 298,634 | 2,206,575 | 7,082,002 | February. |
| 208,974 | 155,741 | 199,147 | 521,480 | 45,209 | 93,690 | 1,224,241 | 4,746,719 | March. |
| 346,754 | 51,551 | 51,145 | 470,273 | 23,012 | 95,905 | 1,338,640 | 4,153,770 | April. |
| 26,252 | 33,220 | 23,537 | 340,631 | 37,314 | 96,501 | 557,455 | 5,118,893 | May. |
| 19,442 | 23,734 | 31,520 | 391,323 | 34,318 | 63,138 | 563,481 | 2,203,544 | June. |
| 1,429,254 | 1,429,254 | 560,385 | 4,022,382 | 592,537 | 1,294,887 | 9,167,252 | 51,443,833 | TOTAL. |

The tea trade of Canton, 1841-42, was not interrupted by the war which we were waging against the Chinese Government in the north of China, although we had destroyed the forts of the Bocca Tigris in the Canton River 7th January, captured the defences of Canton city on 19th March, and compelled the City of Canton to capitulate and pay 6,000,000 dollars on the 25th and 30th of May 1841. Amoy was stormed and taken on the 26th August

Appendix, No. 3.

Report on the Tea Trade.

1841. On 1st October 1841 Tinghæ, the capital of Chusan, was captured after an assault of two hours. Ningpoe and Chinhæ were next taken, and during the winters of 1841-42, forcibly retained in our possession. Chapoo, 16th May 1842; Shangai, 19th June 1842; yet during these proceedings 36,799,905 lbs. of tea were shipped from Canton for the United Kingdom, in 29,300 tons of British shipping, divided as equally as in the other seasons over the different months of the year, as shown in the accompanying return printed in the "Friend of China and Hong Kong Gazette, No. 11, No. 17 of 14th July 1842." This return is a complete answer to the erroneous allegation that the possession of Hong Kong by England is essential to a steady prosecution of the tea trade at Canton. Even during the blockade of Canton, and before we had any settlement at Hong Kong, the tea trade was carried on nearly as extensively as ever, by conveying the tea to the outer anchorages in the Canton waters in a few ships under Danish and other foreign colours, temporarily used for the purpose.

STATEMENT of the Export of TEA from *Canton* to the *United Kingdom*, commencing 1 July 1841, ending 30 June 1842.

| Month. | Tons. | Bohea. | Congou. | Caper. | Souchong. | Campoi and Anhoi. | Hung Muey. | Pekoe. | Orange Pekoe. | Sorts. | Black. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* |
| July - | 492 | 41,545 | 416,268 | 6,974 | 3,901 | - - | 2,812 | 13,490 | - - | - - | 484,990 |
| August - | 1,380 | - - | 609,057 | - - | - - | - - | - - | 6,405 | 97,897 | - - | 704,449 |
| September | 2,546 | 39,957 | 1,290,742 | 3,703 | 89,224 | - - | - - | 11,461 | 37,257 | - - | 1,472,344 |
| October - | 2,902 | 433,073 | 1,093,027 | 5,844 | 37,783 | 3,158 | 5,534 | 78,440 | 20,847 | 1,373 | 1,679,079 |
| November | 2,868 | - - | 2,189,428 | 16,894 | 98,642 | 16,537 | 61,210 | 137,669 | 111,392 | - - | 2,631,772 |
| December | 4,228 | 110,322 | 4,623,978 | 45,306 | 129,620 | 43,810 | 38,843 | 85,083 | 44,570 | - - | 5,121,532 |
| January - | 3,718 | 357,411 | 3,927,007 | - - | 121,821 | - - | 24,537 | 42,587 | 81,196 | 457 | 4,555,016 |
| February - | 2,741 | - - | 2,993,649 | 5,819 | 54,800 | 4,228 | - - | 9,842 | 25,491 | 411 | 3,004,240 |
| March - | 2,425 | - - | 2,562,768 | 22,861 | 36,536 | 450 | 33,180 | 37,977 | 51,031 | 8,848 | 2,753,650 |
| April - | 617 | - - | 390,947 | 11,966 | 9,093 | 3,669 | - - | 20,028 | 53,265 | - - | 488,968 |
| May - | 3,633 | - - | 3,401,971 | 12,212 | 15,747 | 730 | 59,076 | 53,256 | 109,090 | 313 | 3,652,395 |
| June - | 1,760 | - - | 1,098,219 | 114,205 | 38,773 | 7,958 | 44,932 | 33,917 | 23,510 | - - | 1,461,514 |
| | 29,300 | 982,308 | 24,498,061 | 245,784 | 635,940 | 89,540 | 270,124 | 530,155 | 755,636 | 11,402 | |
| | | | | | | | | | | Total Black - - - *Lbs.* | 28,009,950 |

| Hyson. | Young Hyson. | Skin. | Twankay. | Gunpowder. | Imperial. | Green. | TOTAL. | Month. |
|---|---|---|---|---|---|---|---|---|
| *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | *Lbs.* | |
| 14,695 | 18,509 | 7,968 | - - - | 5,121 | 3,716 | 50,009 | 534,999 | July. |
| 98,354 | 91,621 | 24,519 | 621,640 | 110,954 | 61,770 | 1,008,858 | 1,713,307 | August. |
| 584,123 | 135,452 | 15,507 | 467,626 | 299,818 | 192,379 | 1,694,925 | 3,167,269 | September. |
| 294,717 | 464,507 | 106,993 | 398 753 | 186,404 | 81,139 | 1,532,513 | 3,211,592 | October. |
| 160,141 | 148,605 | 32,603 | 329,015 | 194,032 | 129,915 | 994,311 | 3,626,083 | November. |
| 27,091 | 32,845 | 53,259 | 167,310 | 19,718 | 117,224 | 317,447 | 5,438,979 | December |
| 62,011 | 82,833 | 14,480 | 134,910 | 76,350 | 37,279 | 407,863 | 4,962,899 | January. |
| 136,144 | 30,225 | 15,316 | 493,625 | 40,354 | 29,832 | 745,496 | 3,749,736 | February. |
| 190,246 | 12,623 | 11,170 | 87,915 | 50,924 | 27,402 | 380,280 | 3,133,931 | March. |
| 65,412 | 45,623 | - - - | 24,128 | - - - | 15,662 | 170,320 | 659,288 | April. |
| 103,792 | 135,091 | 45,934 | 584,561 | - - - | 51,260 | 995,192 | 4,647,587 | May. |
| 73,690 | 11,131 | - - - | 295,819 | 71,682 | 40,419 | 492,741 | 1,954,255 | June. |
| 1,810,436 | 1,209,065 | 327,749 | 3,605,305 | 1,149,406 | 687,907 | | | |
| | | | | | | Total Green - - - *Lbs.* | 8,789,954 | |
| | | | | | | TOTAL EXPORT - - - *Lbs.* | | 36,799,905 |

| | Black. | Green. | TOTAL. |
|---|---|---|---|
| | *Lbs.* | *Lbs.* | *Lbs.* |
| Export to London - - - - - | 21,726,461 | 1,017,688 | 29,744,149 |
| Ditto to Liverpool - - - - - | 3,423,170 | 622,299 | 4,045,469 |
| Ditto to Cork - - - - - - | 1,895,001 | 123,499 | 2,018,497 |
| Ditto to Scotland - - - - - | 965,318 | 26,472 | 991,790 |
| TOTAL - - - | 28,009,950 | 8,768,955 | 36,799,905 |

Between

Between 1st July 1840 and 30th June 1841 there were shipped from Canton for England, black tea, 23,694,159 lbs.; green tea, 4,992,825 lbs.; total, 28,686,984 lbs.; and to the United States, black teas, 1,524,244 lbs.; green teas, 6,030,103 lbs.; total, 7,554,347 lbs. A considerable portion of tea was shipped in the month of May 1841, a few days previous to the storming of Canton; and a large portion in June 1841, immediately after the capture and ransom of that city.

The trade in tea, as well as in other articles of different foreign countries with China, will be given under their respective heads; but it may be useful for comparison to examine the importation and consumption of tea in continental Europe at former periods.

The quantity of tea consumed in Europe must formerly have been considerable, as it is stated that the quantity of tea exported from China to Europe in 1666 was 17,000,000 lbs., and that in nine years preceding 1780, there were 118,000,000 lbs. of tea imported into the Continent. The average of teas exported from China to Europe in foreign ships for nine years, viz., from March 1772 to 1780 (says another authority), was 13,191,201 lbs.; the average number of ships, 12.

In 1785 the importation into the Continent was 19,000,000 lbs.; but in 1796 it had decreased to little more than 2,500,000 lbs.! The decline of the tea trade on the Continent will be best seen by the following table, by which it will be perceived that in the latter period there was a falling off of 97,119,724 lbs.

In 1808-9, &c., I find no account of tea exported from Canton to Europe; the amount having, I suppose, become so small for each country, the names of which are distinguished in this Table. The Americans, as will be seen under the head of "American trade with China," became the chief carriers of tea and eastern produce during the latter years of our war with France, and this trade they still in some degree possess.

AN ACCOUNT of the Number of Pounds of TEA shipped at *Canton* on Board Foreign European Ships, viz. Swedish, Danish, Dutch, French, Portuguese, Spanish, Prussian, Austrian, Russian, Hamburgh, Tuscan, &c.

| YEARS. | QUANTITY. | YEARS. | QUANTITY. |
|---|---|---|---|
| | *Lbs.* | | *Lbs.* |
| 1782 | 14,630,200 | 1795 | 2,759,800 |
| 1783 | 19,072,300 | 1796 | 2,515,460 |
| 1784 | 16,651,000 | 1797 | 2,714,000 |
| 1785 | 15,715,900 | 1798 | 4,319,300 |
| 1786 | 10,165,160 | 1799 | 1,577,066 |
| 1787 | 13,578,000 | 1800 | 3,968,267 |
| 1788 | 10,675,900 | 1801 | 185,533 |
| 1789 | 7,174,200 | 1802 | 5,812,266 |
| 1790 | 2,291,560 | 1803 | 1,074,266 |
| 1791 | 4,431,730 | 1804 | 3,318,799 |
| 1792 | 7,864,800 | 1805 | 1,809,466 |
| 1793 | 8,462,800 | 1806 | 1,534,267 |
| 1794 | 4,138,930 | 1807 | 1,144,266 |
| TOTAL - - *Lbs.* | 129,852,480 | TOTAL - - *Lbs.* | 32,732,756 |

| | *Lbs.* |
|---|---|
| Foreign Exportation, the First Period - - - | 129,852,480 |
| Ditto - - - the Second Period - - - | 32,732,756 |
| Decrease on 13 Years - - *Lbs.* | 97,119,724 |

Of the Portuguese tea trade I have been unable to get any data; the demand is so trifling that we know nothing of the amount, although Macao, their settlement, at the entrance of the Canton River, has long been the residence of the English tea merchants. The following Table exhibits the Dutch tea trade at an early period.

Appendix, No. 3.

Report on the Tea Trade.

QUANTITY of TEA exported from *Canton* by the Dutch, from 1783 to 1808.

| YEARS. | QUANTITY. | YEARS. | QUANTITY. |
|---|---|---|---|
| | *Lbs.* | | *Lbs.* |
| 1783 | — | 1796 | — |
| 1784 | 5,334,000 | 1797 | — |
| 1785 | 4,458,800 | 1798 | — |
| 1786 | 5,943,200 | 1799 | — |
| 1787 | 5,794,900 | 1800 | — |
| 1788 | 4,179,600 | 1801 | — |
| 1789 | 5,106,900 | 1802 | 305,333 |
| 1790 | 1,328,500 | 1803 | — |
| 1791 | 2,051,330 | 1804 | — |
| 1792 | 2,938,530 | 1805 | — |
| 1793 | 2,417,200 | 1806 | — |
| 1794 | 4,096,800 | 1807 | 1,144,266 |
| 1795 | — | 1808 | — |
| TOTAL - - *Lbs.* | 43,649,760 | TOTAL - - *Lbs.* | 1,449,599 |

| | *Lbs.* |
|---|---|
| Exportation, First Period - - - - - - | 43,649,760 |
| Ditto - Last Period - - - - - - | 1,449,599 |
| Decreased Exportation - - *Lbs.* | 42,200,161 |

After the restoration of the house of Nassau in 1815, a Dutch company was formed to carry on the tea trade; the royal proclamation announcing that it was to "prevent the trade falling into the hands of foreigners." In 1817 the company was dissolved, and the Americans and Dutch entered freely into competition for the supply of the Hollanders and Belgians with tea, "the duties (as Mr. Masterson, the vice-consul at Rotterdam, says) being so low, that the importations by Dutch and foreign flags is only about an English penny on the lower prices, and on the higher prices nothing." Mr. Masterson delivered in to the House of Commons the following Table, which demonstrates, although there was the greatest competition, the greatest abundance, and the lowest possible price (lower even, sometimes, than it could be bought at Canton), yet the consumption of tea did not increase, although according to theory it ought to have done so. Let it be remembered that this trade has not only been carried on without profit, but at considerable loss; that of the Dutch being 2,000,000 of florins within four years.

TEA TRADE to the *Netherlands*.*

| YEARS. | QUANTITY BY AMERICANS. | QUANTITY BY THE DUTCH. | YEARS. | QUANTITY BY AMERICANS. | QUANTITY BY THE DUTCH. |
|---|---|---|---|---|---|
| | *Lbs.* | *Qr. Chests.*† | | *Lbs.* | *Qr. Chests.* |
| 1818 - - | 3,508,164 | 90,535 | 1824 - - | 1,409,992 | 13,023 |
| 1819 - - | 3,496,746 | 59,929 | 1825 - - | 2,036,760 | 37,224 |
| 1820 - - | 3,322,638 | 73,372 | 1826 - - | 528,264 | 45,768 |
| 1821 - - | 721,644 | 17,213 | 1827 - - | 294,030 | 28,038 |
| 1822 - - | 1,256,442 | 28,024 | 1828 - - | 1,111,308 | 46,672 |
| 1823 - - | 1,730,872 | 26,192 | 1829 - - | 353,628 | 26,392 |
| TOTAL - | 14,036,506 | 295,265 | TOTAL - | 4,733,982 | 197,117 |

| Dutch: | *Qr. Chests.* |
|---|---|
| First Period's Importation - - - - - | 295,265 |
| Last - - ditto - - - - - - - | 197,117 |
| Decrease - - *Qr. Chests* | 98,148 |

| Americans: | *Lbs.* |
|---|---|
| First Period's Importation - - - - - | 14,036,506 |
| Last - - ditto - - - - - - - | 4,733,982 |
| Decrease - - *Lbs.* | 9,302,524 |

* House of Commons Report, page 448.

† A quarter chest contains 66 lbs. English.

By

By comparing the first three years with the last three years of the Dutch trade, the decrease will be found to amount to 122,834 quarter chests; and in 1830 there were no ships sent to China.

The Dutch consul, in an address to the Governor of Canton in 1829, when there were the following ships in China; the "Peter and Karl," 300 tons; the "Teemanshop;" the "Charlotte," of 150 tons; and the "Experiment," of 188 tons, trading to Java; while so long ago as 1747 there were six large Dutch vessels at Canton, and in 1789 there were five, all of large burthen, says, "For many years the trade of Holland with the empire of China was considerable; many ships annually came, bringing goods from Holland or its colonies; but the principal object was always to purchase cargoes, entirely the productions of China; and I am happy to say that no difficulties have ever existed between the two countries. Formerly our connexion was advantageous to both parties, but since the expenses and the duties which are demanded on our ships and our merchandize, whether imports or exports, have considerably increased, the cohong has not preserved the merchants which the government had fixed, from whence it results that commerce has become limited, and its advantages less, and insensibly that of Holland has so much diminished that it has become almost nothing."

The Dutch are now trying to cultivate tea in Java, and the produce this year 1844-45 is about 75,000 lbs., and 1846, 992,500 lbs.; but it is of inferior quality, and grown and manufactured at considerable expense.

Denmark next presents itself to observation, as the Danes have been consumers of tea since the commencement of the last century; at one time, as the annexed Table will show, they exported a large quantity of tea from Canton. The duty is extremely low, viz.: two per cent. *ad valorem*, and the sale price, according to Mr. Consul Fenwick's report, dated Elsinore, December 1828, was for Bohea 20*d.*, Congo 28*d.* to 30*d.*, and Souchong 30*d.* to 32*d.* per lb. Here also we do not find the consumption to have at all increased, but the very contrary.

QUANTITY of TEA shipped at *Canton* by the Danes.*

| YEARS. | QUANTITY. | YEARS. | QUANTITY. |
|---|---|---|---|
| | *Lbs.* | | *Lbs.* |
| 1767 | 3,010,286 | 1787 | 2,664,000 |
| 1768 | 1,430,874 | 1788 | 2,496,800 |
| 1769 | 1,449,306 | 1789 | 1,773,000 |
| 1770 | 2,800,482 | 1790 | 520,000 |
| 1771 | 2,750,164 | 1791 | — |
| 1772 | 2,999,600 | 1792 | 852,000 |
| 1773 | 8,867,300 | 1793 | — |
| 1774 | 3,237,300 | 1794 | 24,670 |
| 1775 | 2,833,700 | 1795 | — |
| 1776 | 2,487,300 | 1796 | 2,504,400 |
| 1777 | 2,098,300 | 1797 | 1,307,800 |
| 1778 | 1,388,400 | 1798 | 2,910,900 |
| 1779 | 3,983,600 | 1799 | 1,132,266 |
| 1780 | 2,341,400 | 1800 | 963,467 |
| 1781 | 4,118,500 | 1801 | 185,533 |
| 1782 | 5,477,200 | 1802 | 1,380,266 |
| 1783 | 3,204,000 | 1803 | — |
| 1784 | 3,158,000 | 1804 | 966,133 |
| 1785 | 4,578,100 | 1805 | 1,739,866 |
| 1786 | 2,092,000 | 1806 | — |
| Total - - *Lbs.* | 64,305,812 | Total - - *Lbs.* | 21,421,101 |

| | *Lbs.* |
|---|---|
| Exportation of First Period | 64,305,812 |
| Ditto, Last Period | 21,421,101 |
| Decrease - - *Lbs.* | 42,884,711 |

| | *Lbs.* |
|---|---|
| In April 1825 the stock of teas of different kinds on hand in Denmark was - | 484,000 |
| In 1827 there was a direct supply of | 717,000 |
| Total - - *Lbs.* | 1,201,000 |

In

* Macpherson's Commerce of India.

Appendix, No. 3.

Report on the Tea Trade.

| | *Lbs.* |
|---|---|
| In September 1828, after the sale which supplied the market until the ensuing spring, there were on hand | 685,000 |
| The consumption, therefore, for four years was | 516,000 |
| Or yearly | 129,000 |

There was, consequently, in 1828 sufficient tea in Denmark for nearly five years' consumption. It is a marked indication of the indispensable necessity of carefully attending to the importation of a foreign, and indeed an artificial article, such as that of tea, that in some countries in Europe the use of the tea was formerly considerable, even when its price was great and the difficulty in procuring it enhanced; but now, when freight, insurance, &c. is low, and tea exceedingly cheap, that the importation is so extraordinarily lessened. Sweden offers a confirmation of this remark, as the following Table demonstrates; at present, I believe, there is very little tea imported.

The Swedes perhaps thought as the poet did in the two concluding lines of the following extract from the "Dessert," a poem published in 1819.

"Enlivening, mild and sociable tea!
Scandal compelling Green, Pekoe, Bohea;
Without thee once Philosophy could write,
And Wisdom's page the moral pen indite.
Without thee Thamosthetes their laws enacted;
Without thee thought, and taught, and dreamt, and acted:
With this celestial gift how strange that we
Should neither better eat, nor drink, nor think, nor see."

QUANTITY of TEA Exported from *Canton* by the Swedes.

| YEARS. | QUANTITY. | YEARS. | QUANTITY. |
|---|---|---|---|
| | *Lbs.* | | *Lbs.* |
| 1767 | 3,066,143 | 1787 | 2,890,900 |
| 1768 | 3,186,220 | 1788 | 2,589,000 |
| 1769 | 1,494,509 | 1789 | — |
| 1770 | 3,076,642 | 1790 | — |
| 1771 | 2,984,361 | 1791 | 1,591,330 |
| 1772 | 2,746,800 | 1792 | 1,559,730 |
| 1773 | 1,489,700 | 1793 | 756,130 |
| 1774 | 4,088,100 | 1794 | — |
| 1775 | 2,562,500 | 1795 | 2,759,800 |
| 1776 | 3,049,100 | 1796 | — |
| 1777 | 2,851,200 | 1797 | 1,406,200 |
| 1778 | 3,258,000 | 1798 | 1,408,400 |
| 1779 | 2,626,400 | 1799 | 444,800 |
| 1780 | 4,108,900 | 1800 | 2,022,400 |
| 1781 | 3,267,300 | 1801 | — |
| 1782 | 4,265,600 | 1802 | 1,427,067 |
| 1783 | 4,878,900 | 1803 | — |
| 1784 | — | 1804 | 2,852,666 |
| 1785 | 6,212,400 | 1805 | — |
| 1786 | 1,747,700 | 1806 | — |
| Total *Lbs.* | 60,960,475 | Total *Lbs.* | 21,208,423 |

| | *Lbs.* |
|---|---|
| Exportation of First Period | 60,960,475 |
| Ditto, ditto, Last Period | 21,208,423 |
| Decrease *Lbs.* | 39,752,052 |

Trieste presents a still more conclusive fact. During the latter part of the last century there was comparatively a large importation of tea into Trieste from Canton, as follows:

| | *Lbs.* |
|---|---|
| In 1779 | 1,375,900 |
| „ 1780 | 317,700 |
| „ 1782 | 933,300 |
| „ 1783 | 3,428,400 |
| „ 1792 | 393,870 |

The following letter from the British Consul at Trieste, in 1828, to the Foreign Department, relates to the consumption of tea there, and shows the effect of American speculation, to the extent of 3,000lbs., some years ago, which still remain unsold. Let it be also observed

observed that there is no government duty to enhance the cost, and the prices given by the consul are for Hyson Skin 2*s.* per lb., and for Souchong 2*s.* 9*d.*

"The consumption of tea in this government is so insignificant as to warrant the assertion, that it is scarcely to be considered as an object of trade. It is used more as a medicine than as a necessary article of subsistence, or an agreeable beverage, except by the English families here resident, and a few others in the higher circles.

"The importation in British vessels is limited to small parcels brought by masters of ships, and I am credibly informed has not amonnted to 1,000 lbs. during the last nine years, the period I have been in office. A more considerable quantity (about 3,000 lbs.) was imported some years ago in an American ship, and left in commission with an English house here; but the greater part, notwithstanding the extreme lowness of the prices, still remains unsold, and I am assured that it is very doubtful whether wholesale buyers could be found for it at a reduction of 30 per cent.

"In the city and liberties of Trieste, which is a free port, and also in Istria, as being beyond the line of customhouses, there are no duties on tea or any other articles of merchandize. There was, indeed, till lately, a duty of one half per cent. *ad valorem*, which has now ceased, the object for which it was levied, viz.: to pay the debts contracted by the municipality during the war, being accomplished." *

The consul at Leghorn states that the consumption of tea in Tuscany is chiefly confined to foreigners who reside in Florence and Leghorn, the natives only using it medicinally. In Genoa the consumption is a few hundred pounds weight. In Mr. Money the consul-general's return, I find the following statement of the total importation into the Austrian ports of the Adriatic.†

| Towns. | Quantities of Tea Imported. |
|---|---|
| Venice - | Have not averaged more than two cwt. per annum in the last 10 years. |
| Trieste - | - - About five cwt. per annum, being little in use except by British residents. |
| Fiume - | Do not exceed from 100 to 150 lbs. per year. |
| Ragusa - | Very inconsiderable. |

In the foregoing mentioned states tea is cheap; there are little or no duties. From Palermo the consul-general writes, "The consumption of tea in the island of Sicily is very trifling, about 20 chests per annum; the Sicilians seldom make use of it, except in illness as a medicine, and that of a very inferior quality; it is chiefly imported from the United States of America."

In the kingdom of Naples, it appears from the two years' returns forwarded by the consul-general, there has been a decrease:—

| | *Lbs.* |
|---|---|
| In 1826 - - - - - - - - - - - | 5,961 |
| In 1827 - - - - - - - - - - - | 3,419 |
| Decrease - - *Lbs.* | 2,542 |

The following is a return of the quantity of tea exported from Canton, by the Prussians, at the end of the last and beginning of the present century:—

| | *Lbs.* |
|---|---|
| In 1783 - - - - - - - - | 3,329,800 |
| - 1787 - - - - - - - - | 499,300 |
| - 1791 - - - - - - - - | 5,070 * |
| - 1800 - - - - - - - - | 802,400 |
| - 1802 - - - - - - - - | 1,756,000 |
| - 1803 - - - - - - - - | 1,073,733 |

After 1803 there is no further regular account of exportations, and I only find casual shipments, decreasing in quantity. In 1829, the consul-general at Dantzic regrets it is not in his power to get any information of the tea trade there, or in Berlin; that "in fact there is no wholesale trade in teas."

At Frankfort, the consul-general observes, "The quantity of tea cannot exactly be ascertained, as no consumption duty is levied, 10*d.* per cwt. not deserving that denomination."

| | *Cwts.* |
|---|---|
| In 1817 the consumption was - - - - - - - | 380 |
| In 1826 - ditto - - - - - - - - | 112‡ |
| Decrease - - *Cwts.* | 268 |

The

* Consular Returns, House of Lords' Select Committee, Appendix (B.), p. 1259.

† Select Committee, House of Lords, Appendix (B.), p. 1245.

‡ The only two years given in the Consular Return.

Appendix, No. 3.

Report on the Tea Trade.

The consul thinks that about 1 cwt. of tea is consumed by a population of 70,000 inhabitants in Frankfort; but he adds, "This valuation cannot serve as a general basis for Germany, as in some parts of it 'no tea is drunk,' and in others very little, the people being in the habit of drinking coffee for breakfast, and beer or wine at other meals."

It might be supposed that the temperament of the French nation would have made them extensive consumers of tea. Formerly the taste in this particular was improving and extending; and at one time tea found its best market in France. The decline will be best seen by the following statement:—

EXPORTATION of TEA by the French, from *Canton*, from 1782 to 1807.

| YEARS. | QUANTITY. | YEARS. | QUANTITY. |
|---|---|---|---|
| | *Lbs.* | | *Lbs.* |
| 1782 | — | 1795 | — |
| 1783 | 4,231,200 | 1796 | — |
| 1784 | 4,960,000 | 1797 | — |
| 1785 | 466,600 | 1798 | — |
| 1786 | 382,260 | 1799 | — |
| 1787 | 1,728,900 | 1800 | — |
| 1788 | 292,100 | 1801 | — |
| 1789 | 294,300 | 1802 | 353,333 |
| 1790 | 442,100 | 1803 | — |
| 1791 | 784,000 | 1804 | — |
| 1792 | 1,540,670 | 1805 | — |
| 1793 | — | 1806 | — |
| 1794 | — | 1807 | — |
| TOTAL *Lbs.* | 15,122,130 | TOTAL *Lbs.* | 353,333 |

| | *Lbs.* |
|---|---|
| Exports, first period | 15,122,130 |
| Ditto last period | 353,333 |
| Decrease *Lbs.* | 14,768,797 |

At a later period we do not find that peace, and the increasing prosperity of the people, induced them to drink tea extensively, although the duties on importation scarcely differed on a foreign or native ship, viz., about 2*d.* per pound. In the following years the importation was almost stationary, although a large portion was for re-exportation:—

TEA IMPORTED INTO FRANCE:

| | *Kilogrammes.** |
|---|---|
| In 1820 | 83,366 |
| – 1821 | 79,144 |
| – 1822 | 83,597 |
| – 1823 | 70,057 |
| – 1824 | 89,030 |
| – 1844 | — |

[For the present trade of France with China, see Section — of Foreign Commerce with China, in published Report.]

The consul at Bremen states, that the consumption of tea is inconsiderable, occupying a small portion of ship room.

At Lubeck "there is no wholesale trade in tea, and but a very irregular one in the retail line."—(Consul's Report.)

The commerce of Russia with China, as I observed previously, is involved in obscurity. Sir Daniel Bayley, the consul-general at St. Petersburgh, in his despatch to government, 18th December 1828, says, "From the most authentic sources of information I have had access to, it appears that the importation of tea into the Russian Empire has been as follows:"—

RUSSIAN

* A kilogramme is 15,434 grains avoirdupois.

RUSSIAN IMPORTATION OF TEA.

| YEARS. | QUANTITY. | VALUE. |
|---|---|---|
| | *Poods.* | *Roobles.* |
| From 1824 - - - - - - - - | 154,197 | 6,260,429 |
| - 1825 - - - - - - - - | 133,514 | 4,807,049 |
| - 1826 - - - - - - - - | 130,562 | 5,675,992 |
| - 1827 - - - - - - - - | 161,958 | 6,719,166 |
| Total Poods - - - | 580,231 | 23,462,636 |
| Of which exported during four years - - | 3,843 | 7,75,730 |
| Thus leaving Poods - - - | 576,388 | 22,686,906 |

On an average 144,097 poods, of the value of 5,671,726 roobles; or in English weight and money, 5,187,496 lbs.; value 248,346*l.*

The trade of Russia with China through Kiachta will be found under its proper head in the section of foreign commerce.

The average annual consumption of Chinese tea in different countries, as nearly as can be ascertained, is now thus:—

| | *Lbs.* |
|---|---|
| Great Britain and Ireland - - - - - | 45,000,000 |
| British North America and West Indies - - | 2,500,000 |
| Australasia, Cape of Good Hope, &c. - - | 2,500,000 |
| British India, &c. - - - - - - - | 2,000,000 |
| Total in the British Empire - - - *Lbs.* | 52,000,000 |
| United States of North America - - - | 7,000,000 |
| Russia - - - - - - - - - | 10,000,000 |
| France and Colonies - - - - - - - | 500,000 |
| Hanse Towns, &c. - - - - - - - | 150,000 |
| Holland and its Colonies - - - - - | 1,000,000 |
| Belgium - - - - - - - - - | 200,000 |
| Denmark, Sweden, and Norway - - - | 250,000 |
| The German States - - - - - - - | 500,000 |
| Spain and Portugal - - - - - - - | 100,000 |
| Italian States - - - - - - - - | 50,000 |
| South American States - - - - - | 500,000 |
| Eastern Islands, &c. - - - - - | 250,000 |
| Total consumption in foreign countries - *Lbs.* | 20,250,000 |

Thus the English consume twice the quantity of tea that is consumed by all the other countries in the world, excepting China and Japan.

It may be useful to compare the price of tea in England with its price at different places on the continents of Europe and America. The accompanying Table is prepared chiefly from the consular returns called for by his Majesty's Government at the termination of the East India Company's Charter in 1832. It should be remarked, however, that unless the qualities of the teas quoted were known, the price is a fallacious criterion. In some of the consular returns a lower price is quoted for Souchong and other teas than the most worthless rubbish of Bohea or Congou would cost at Canton. (*See* Table, p. 494, 495.)

It will be seen, on referring generally to the Canton Price Currents, that the cost price of tea has increased in Canton since the abolition of the East India Company. The annexed comparison for January 1832 and December 1844, is an illustration of the remark. The prices in both these years were higher than ordinary, especially in 1844, and not until February and March 1845, did prices fall sufficiently to allow of a profitable exportation.

Appendix, No. 3.

Report on the Tea Trade.

## Canton Price Current.

| 2d January 1832. East India Company's Purchases: | | | 6th December 1844. Public Merchants' Purchases: | | |
|---|---|---|---|---|---|
| Bohea | taels picul | 13 *a.* 15 | Bohea | per picul | 10 *a.* 17 |
| Congo | — | 24 *a.* 28 | Congo, old | — | 10 *a.* 15 |
| Campoi | — | — | Ditto, new | — | 30 *a.* 44 |
| Souchong | — | 19 *a.* 34 | Caper | — | 16 *a.* 21 |
| Pekoe | — | 52 *a.* 60 | Souchong | — | 13 *a.* 54 |
| Twankay | — | 22 *a.* 28 | Pekoe | — | 26 *a.* 90 |
| Hyson Skin | — | 18 *a.* 28 | Twankay | — | 30 *a.* 38 |
| Hyson | — | 42 *a.* 58 | Hyson Skin | — | 22 *a.* 36 |
| Gunpowder | — | 51 *a.* 61 | Hyson | — | 20 *a.* 80 |
| | | | Gunpowder, Imperial | — | 20 *a.* 70 |

## Prices at the Public Tea Sale, London, 27th July 1844.

| | | *s.* | *d.* | | *s.* | *d.* |
|---|---|---|---|---|---|---|
| Congou | per lb. | – | 10 ½ | | | |
| Ditto | — | – | 10 ½ | | | |
| Ditto | — | – | 11 ½ | Average price per lb. | 1 | 3 ½ |
| Ditto | — | 1 | 4 | | | |
| Ditto | — | 1 | 8 ¾ | | | |
| Ditto | — | 1 | 10 ½ | | | |
| Souchong | — | 2 | 1 ½ | - ditto - - ditto - - | 2 | 2 |
| Ditto | — | 2 | 2 ½ | | | |
| Pekoe | — | 3 | 1 | - ditto - - ditto - - | 3 | 1 ¼ |
| Ditto | — | 3 | 1 ½ | | | |
| Twankay | — | 1 | 2 | - ditto - - ditto - - | 1 | 2 ¼ |
| Ditto | — | 1 | 2 ¾ | | | |
| Hyson Skin | — | 1 | 6 | - ditto - - ditto - - | 1 | 6 |
| Hyson | — | 2 | 10 | - ditto - - ditto - - | 2 | 10 |
| Gunpowder | — | 3 | 1 | - ditto - - ditto - - | 3 | 1 ½ |
| Ditto | — | 3 | 2 | | | |
| | | | | Average Price per lb. - - | 2 | 2 |

| | *s.* | *d.* |
|---|---|---|
| Estimating the cost price in China - - - - - - - - - | 1 | 3 |
| The charges there, freight, &c. - - - - - - - - - | – | 5 |
| Profit to merchants exporting - - - - - - - - - - | – | 3 |
| Charges in London - - - - - - - - - - - | – | 1 |
| | 2 | – |
| There remains charges and profit for salesmen, &c. - - - - - - | – | 2 |
| | 2 | 2 |

Sale Price of Tea in *England* and on the Continents of *Europe* and *America*, according to the Consular Returns, and the Continental Price Currents about that Period; reduced to Sterling Money by Dr. *Kelly's* "Cambist," and by the most respectable mercantile houses.

### BLACK TEAS.

| COUNTRIES. | PEKOE. | SOUCHONG. | COMPOI. | CONGOU. | BOHEA. |
|---|---|---|---|---|---|
| | *Per lb.* | *Per lb.* | *Per lb.* | *Per lb.* | *Per lb.* |
| England | 3 *s.* | 2 *s.* 7 ½ *d.* | 2 *s.* 3 ½ *d.* | 2 *s.* – ¼ *d.* | 1 *s.* 6 *d.* |
| Russia | 21/4 *a.* 29/2 | 14/7 *a.* 17/6 | 11/8 *a.* 12/7 | 8/9 *a.* 9/8 | 5/10 *a.* 6/9 |
| New York | none used | 1/8 *a.* 2/2 | none | none | 1/5 *a.* 1/6 |
| New Orleans | - - - | 2 *a.* 4 | - - - | - - - | 1/8 *a.* 1/11 |
| France | 7/1 *a* 10/5 | 3/11 *a.* 4/8 | - - - | 3/2 | none. |
| Portugal | 5/10 *a.* 6/0 | 3/4 *a.* 3/6 | 2/6 *a.* 2/8 | 2/1 *a.* 2/3 | 1/8 *a.* 2/0 |
| Holland | 4/7 *a.* 7/0 | 2/6 *a.* 3/5 | 1/11 *a.* 2/6 | 2/0 *a.* 2/3 | 1/6 |
| Bremen | 3/4 *a.* 8/4 | - - - | - - - | 1/4 *a.* 1/8 | 1/0 *a.* 1/1 |
| Hamburgh | 3/4 ½ *a.* 10/11 | 1/4 ½ *a.* 2/0 | 1/5 *a.* 1/7 ½ | 1/4 ½ *a.* 1/7 ½ | 1/2 ¼ *a.* 1/3 |
| Dantzig | 7/8 *a.* 13/6 | none | none | 2/6 *a.* 3/4 | none. |
| Frankfort | 5/0 *a.* 10/0 | 3/4 *a.* 4/8 | 2/6 *a.* 3 4 | 2/1 *a.* 3/0 | 1/1 *a.* 1/3 |
| Denmark | none used | 2/6 *a.* 2/8 | 2/5 *a.* 2/8 | 2/4 *a.* 2/6 | 1/8 |
| Roman States | 6/4 | 4/0 | none | 4/0 | 3/4 |
| Lubeck | 4/10 *a.* 10/6 | 1/1 *a.* 3/0 | 1/6 *a.* 2/1 | 1/2 *a.* 1/10 | none. |
| Trieste | none | 2/9 | none | none | none. |
| Leghorn | none | 1/9 *a.* 2/2 | — | | |
| Sicily | - - - | - - - | - - - | - - - | 4/0 |
| Naples | - - - | - - - | - - - | 6/8 | — |
| Canton | 2/2 *a.* 392 | 1/11 *a.* 922 | 1/7 *a.* 738 | 1/4 *a.* 150 | 0/9 *a.* 666 |

## GREEN TEAS.

| COUNTRIES. | GUNPOWDER. | HYSON. | YOUNG HYSON. | HYSON SKIN. | TWANKAY. |
|---|---|---|---|---|---|
| | *Per lb.* | *Per lb.* | *Per lb.* | *Per lb.* | *Per lb.* |
| England | 5*s.* 6*d.* | 3*s.* 6*d.* | 2*s.* 3¼*d.* | 2*s.* 1½*d.* | 2*s.* 2*d.* |
| Russia | 14/7 *a.* 38/10 | 11 *a.* 8 | 9 *a.* 8 | 7/9 | 6/9 |
| New York | 3/6 *a.* 4/2 | 2/7 *a.* 3/8 | 2/5 *a.* 3/5 | 1/10 *a.* 2/8 | none. |
| New Orleans | 5 *a.* 2 | 3 *a.* 10 | 3/8 | 2/7 *a.* 2/10 | — |
| France | 5/6 *a.* 5/10 | 5/0 *a.* 5/1 | - - - | 2/10 | 2/10 *a.* 2/11 |
| Portugal | - - - | 5/5 *a.* 5/7 | 3/4 *a.* 3/6 | 2/11 *a.* 3/4 | 2/6 *a.* 2/8 |
| Holland | 4/0 *a.* 5/10 | 2/8 *a.* 3/6 | - - - | 2/6 *a.* 2/8 | 2/0 *a.* 2/2 |
| Bremen | 4/5 *a.* 5/0 | 2/10 *a.* 3/0 | 1/5 *a.* 2/6 | 1/2 *a.* 1/5 | — |
| Hamburgh | none - - - | 2/11 *a.* 4/2 | none - - | 1/2½ *a.* 1/10 | 1/5 *a.* 1/10 |
| Dantzig | 7/8 *a.* 9/8 | 3/10 *a.* 4/10 | none - - | none - - | none. |
| Frankfort | 13/4 *a.* 1/50 | 8/4 *a.* 9/2 | 6/8 *a.* 7/6 | 3/9 *a.* 6/8 | 2/1 *a.* 4/2 |
| Denmark | none - - | 4/0 *a.* 4/1 | none - - | none - - | none. |
| Roman States | 8/7 | 4/9 | none - - | none - - | none. |
| Lubeck | 3/7 *a.* 6/0 | 3/0 *a.* 5 3 | 1/10 *a.* 3/0 | 1/4 *a.* 2/5 | 1/8 *a.* 2/1 |
| Trieste | 5/0 | 3/4 | none - - | none - - | none. |
| Leghorn | 3/1 *a.* 3/7 | 2/2 *a.* 2/8 | — | — | — |
| Sicily | - - - | 6/0 | — | — | — |
| Naples | - - - | 7/4 | — | — | — |
| Canton | 2/8 | 2/2 *a.* ·720 | 1/10 | 1/4 *a.* ·466 | 1/4 *a.* ·000 |

### Remarks.

*England.*—Average prices at which 30,483,552 lbs. of tea were offered for, and sold at the India House, in all 1831, of which 18,83,000 lbs. were put up without any fixed price; and besides which, 16,46,980 lbs. were refused by the brokers as too large a supply for the market.

*Russia.*—Consular Return. The duty on black tea, from 1*s.* 9*d.* to 1*s.* 11*d.* per lb., and on green from 1*s.* 5*d.* to 1*s.* 6½*d.* is included. I have taken the descending scale of prices.

*New York.*—Exclusive of the duty, New York Price Current, January 1832. The Souchong, so called, is mere Congo. Portions of some cargoes unsaleable, by reason of their being "several years imported."

*New Orleans.*—Exclusive of the duty. New Orleans Price Current for February 1832, in which it is constant remark, "Sales small and scarce."

*France.*—From Prix Courant sur la place de Paris, 18th April 1832. A gentleman in Paris has particularly inquired the retail price of tea throughout France, and states it to be from 5*s.* to 25*s.* per lb.

*Portugal.*—From Holha Mercantil do Porto Lisbon, 7th April 1832. The duty on tea is 15 per cent. *ad valorem.*

*Holland.*—These are the high and low Amsterdam and Rotterdam prices for May 1832, by the 100 chests or cargo; the duty is only seven florins per 100 kilogrammes for Bohea, and 12 florins per 100 kilogrammes for all other descriptions.

*Bremen.*—Bremen, 1st May 1832. Furnished me from Messrs. Reid, Irving & Co.

*Hamburgh.*—The duty is almost nominal, not worth calculation. From the Borsen Halle Hamburgsch abend Qeitung, 20th April 1832.

*Dantzig.*—There is no wholesale trade. Duty for consumption, 3½*d.* per lb. Consular Return.

*Frankfort.*—The government duty is only 10*d.* per cwt. I have given a descending scale of prices from the Consular Returns to Parliament.

*Denmark.*—Duty two per cent. *ad valorem.* These prices were given when there was 10 years' stock in hand. The Consul remarks, that "other teas are proportionally higher."

*Roman States.*—Duty per lb. 11*d.*, of which one-third is allowed as a drawback on exporting articles in lieu of tea, the produce of the States. Consular Returns.

*Lubeck.*—Duty one-half per cent. *ad valorem.* Consular Returns.

At Trieste there is no duty, and at Leghorn it is nominal. The teas, although denominated Souchong and Hyson, are in reality inferior Congous and Hyson Skin, which may be bought for 9*d.* a lb. at Canton. The Consul reports, that 3,000 lbs. left by an American vessel, "some years ago," still remains unsold, and it would be sold at 30 per cent. reduction if buyers could be found for it. Just so it is at Hamburgh and other places, where nominal prices are quoted, but where it would be difficult to find buyers at even half the price named at Sicily, although the price is 4*s.* to 6*s.* The Consul says the tea is "of a very inferior quality." The duty is 1*s.* per lb. at Sicily, and 8*d.* per lb. at Naples.

*Canton.*—Prime cost at Canton of the teas exported to England by the East India Company 1830–31.

Appendix, No. 3.

Report on the Tea Trade.

The territory in which the large amount of tea consumed in Europe and America is grown is south of the Great Yan-tze-Keang river; the whole region lying between the 27th and 31st degrees of north latitude, and from the sea coast inland for 500 to 600 miles, may be considered capable of producing tea; but the most favoured region is the generally sterile hilly province of Fokein, and the provinces of Keangsoo and Chekeang, between the 25th and 31st degrees of north latitude. This territory, which extends over 350 to 400 square miles, is composed principally of the debris of a coarse granite, and of a ferruginous sandstone, crumbling into decay; but when well comminuted and irrigated, yielding sufficient nutriment for the hardy tea plant (a camellia), whose qualities, like that of the vine, are elicited by the nature of the soil, the elevation, the climate, and the solar aspect to which the shrub is subjected*.

It is generally stated that green and black teas are produced from the shrubs of the same species, with a slight variety; the leaf of the green being larger and broader than that of the black; the former leaf is rounded, the latter elliptic, flatter, and more coriaceous.

The cultivation in different soils, the picking of the leaves at different stages of expansion, and subjecting them to greater or less degree of heat and manipulation in dying, is the cause of considerable variety; probably the same difference exists as between the red and white grape, or the black and white currant.

The shrub is cultivated with great care, planted in quincunx rows, in beds, by seeds, chiefly along the sides of hills with a southern aspect, and on a poor gravelly soil, among the debris of decayed granite and disintegrated sandstone, and where nothing else will grow, and it is used for hedgerows or boundaries.

The height varies from three to seven feet, and it is very leafy. The flower resembles the wild rose or briar flower, common in English hedges in autumn; the seed vessel is a nut of the size of a small hazel, or rather like the castor-oil nut, but rounder; three red kernels are in each nut, divided by capsules, and from these a quantity of oil, termed "tea oil," is extracted, and used for common purposes by the Chinese. Six or seven seeds are put into each hole when planting; in 12 or 18 months transplantation takes place, and about the third year the leaves are first plucked. At seven years of age the top is cut almost down to the stem (as gardners do with old currant trees), and a more leafy set of shoots spring up the ensuing year.

The age of the tree is unknown; it has a useful duration, probably to 15 or 20 years. It is an evergreen, and blossoms from the end of autumn throughout the winter until spring. The leaves are dried by placing them first in flat baskets, and exposing them to the air and a moderate degree of sun. They are then further dried or tatched in thin pans of iron, heated by a small furnace of charcoal, the leaves being kept constantly turned round by the hand, and rolled or rubbed between the fingers, to give the leaf a rounded form. When sufficiently fired, it is picked and packed for Canton in chops of 100 to 1,000 chests, each chop having marked on it the name of the maker, the district where the tea is grown, its quality, date, &c.

Copper is not used in the preparation of any description of tea; iron pans are solely employed. I visited a tea manufactory five miles above Canton, where about 500 men, women, and children were engaged in converting coarse-looking refuse leaves, into several sorts of green tea. A series of large flat iron pans were placed over a range of furnaces heated by charcoal, in several successive degrees. The teas, which had been previously picked and sorted, were then placed successively in these pans by men, who each rolled them to a certain extent. After passing four or five pans a small quantity of turmeric was sprinkled over the leaves, in a pan highly heated, and in the next pan a blue powder, composed of prussian blue and gypsum was added, which gave a delicate green bloom to the leaf, which formerly had been of a dingy black or brown hue. The tea was then gradually cooled in large shallow baskets, then placed in a winnowing machine and sifted into different sizes, the smaller being packed and sold as gunpowder or pearl tea. Thus the greatest refuse of tea, or the leaves which had passed through the teapots of the Chinese, were converted into "Gunpowder," "Hyson," and other teas for exportation, as the Chinese never drink green tea. The proprietor of the manufactory told me that the green tea thus prepared was sold to the Americans, who consume but little black tea. It is said to be difficult to detect this coloured tea from the pure, and as the Americans have good tea-tasters at Canton, the English probably receive their share of the adulterated manufacture.

The names of teas are a very imperfect criterion of their quality. Formerly Bohea was the principal tea in use; now the title is used to designate the lowest description of black tea. It may be useful to indicate the designation of the names in general use.

Bohea is an English corruption of the words "Woo-e," "Voo-yee," or "Ba-yee," some hills of that name, about 12 miles in circumference, in Fokien, on the borders of Canton province, yielding a common tea of that name, which is gathered three times a year. It is called by the Chinese "Tacha" (large tea).

Congo, from "congfoo," labourer, is of a better quality than Bohea, less dusty, and with a rougher and more astringent flavour.

Wo-ping teas are so called from a district of that name in Canton province, and when mixed with Bohea form "Canton Bohea."

Ankoi, a coarse tea from the district of that name.

Campoi,

* I found the tea shrub in several parts of China planted as hedge-rows or fences to fields and vegetable gardens.—*R. Montg. Martin.*

Campoi, from Keinpoi, selected. It is a stronger tea than Congo.

Souche or Caper, from swangche, double preparation, or choolan, fragrant pearls. A great deal from Ankoi district.

Souchong, from seaore-chong, scarce or small, good thing. It is carefully made from trees three years old, grown in good soil. Older trees, in a similar situation, produce Congo; older still, Bohea and other inferior teas.

There are different sorts of Souchong, and it is not easy to get this tea pure and good in England. The leaf is of agreeable fragrancy, somewhat like new-made hay; the leaf crisp, of a glossy black colour, and when subjected to boiling water, of a sick-red hue; the liquid is an amber brown.

Peko, or Peho, from pih, have white petals or hair, so called from being made of young leaves, gathered in when the blossoming is over spring, when there is a whitish hair or down on the leaf.

The tea flowers are fragrant mixed with the leaf, and give a fine odour and flavour to the tea.

Twankay, from Tunkay, a district where the tea is generally made. In green teas it corresponds in quality to Congo among black teas.

Singlo, from Sunglo, a mountain in Ganhway. Both these teas have large flat leaves, and are not much rolled.

Hyson, from hechuen, genial spring or first crop, when the young leaves are gathered.

Hyson Skin, Puha tea skin. In Chinese "skin" signifies the refuse. It is formed of the leaves rejected in the preparation of Hyson. The dealers in London give it the name of bloom tea.

Young Hyson, from yee-tseen, before the rains. It is a very small leaf.

Gunpowder is the picked, small, well-rounded Hyson, like shot, also called Pearl or Imperial tea. Several other teas with new names are being introduced.

The different teas are prepared roughly by the tea farmers, and then taken to the manufacturers, who prepare and sort the teas according to the districts in which they are grown, the variety and age of the tree, the size and quality of the leaf, &c. The leaves are passed through sieves of different sizes before their quality is determined. The judgment of the manufacturer in selecting and sorting, and the skill of his workman in firing or tatching the leaf, is of the first consequence. The better quality teas are more frequently roasted, and each leaf separately rolled. The finest descriptions do not reach England; the mandarins pay very high prices for those teas, and their flavour is so delicate that they would not bear four or five months' sweating in the hold of a ship. The production of tea for the use of the Chinese middle and lower classes must be very great, as it is used at every meal.

The tea found in Russia, conveyed by land and river carriage thither, is said to be superior to the tea generally used in England. This may be owing to the leaf being less fired; many of the finest teas drunk in China would not bear five or six months' stowage in the hot and humid atmosphere of the hold of a ship, and therefore the teas conveyed to Europe by sea require to be dried and fired to a degree which must injure their quality. Teas that I drunk at Foochoo, Ningpo, and Shanghai were not highly dried, and had a very delicate flavour, when drank as the Chinese do, without milk or sugar; but these teas could not be preserved more than a few months. The Chinese say, that the high dried superior black teas improve in flavour by being closely packed in air-tight leaden cases for one or two years. Some of the finest teas in China scarcely colour the water, and the preparation consists solely in pouring boiling water on a small quantity of the leaves placed in a teacup, fitted with a close cover; among the highest classes a silver strainer is placed at the bottom of the teacup. Tea made up into balls, or compressed into the form of bricks, or of flat cakes, is exported to Tartary, Tibet, Burmah, &c., boiled with milk, and constitutes an agreeable and nutritious beverage.

The constituent properties of tea are,

| | Black. | Green. |
|---|---|---|
| Tannin | 40·6 | 34·6 |
| Vegetable albumen | 6·4 | 5·7 |
| Mucilage | 6·3 | 5·9 |
| Insoluble fibre | 44·8 | 51·3 |
| Loss | 2·0 | 2·5 |

The tannin blackens salts of iron. The proportions of tannin must vary with the quality of the tea. A salifiable base, named "theine," in regular colourless crystals, has been obtained from tea.

The ashes of black and green teas yield silex, carbonate of lime, magnesia, chloruret of potash. In distillation tea yields a volatile oil, and according to some, a small quantity of resin, soluble in alcohol, and possessing the odour of tea. The effects of tea on the human system are, first stimulant, and then narcotic, according to the strength of the beverage. In moderation tea is an excellent diluent; it promotes digestion, and stimulates the renal glands. The constant use of tea, however, in large quantities, especially by persons living on a poor vegetable diet, is not favourable to physical strength or nervous energy, and to persons engaged in sedentary employments and imperfectly alimented, the frequent imbibing of "tannin" has a decided and manifest pernicious effect. How far the excessive use of strong tea in China, by alternately elevating and depressing the nervous system, may have led

led to the craving desire for opium as a counter stimulant, is deserving of consideration; certain it is that strong coffee (coffeine) among the Turks, Persians, and strong tea (theine), coffeine and theine are similar in their elementary qualities, among the Chinese are followed or preceded by the use of opium or similar deleterious stimulating narcotics. It is stated that in the manufacturing districts of Great Britain, where tea is very largely consumed at all meals, opium is now being introduced.

The statesman is bound to watch apparently minute and remote causes in their operating influence on the character of a nation, and to look more to the preservation of the physical strength and moral power of a people, than to any imaginary increase of revenue or trade from one branch of commerce. Since the commencement of the present century tea has increased in consumption per head in Great Britain more than sugar, wine, tobacco, &c., and it now amounts to more than 20 oz. per annum for each man, woman, and child. 28,000,000 people in the United Kingdom consume double the quantity of tea that is used by the whole population of Europe (including Russia), North and South America, Africa, and Asia (exclusive of China and Japan), although the duties in these countries are low, or, as in the United States, nil.

It is asserted that if the Government reduced the duty on tea, a diminution of price would follow and cause a still larger consumption of tea in England. But low prices (if such be desired) would probably not be obtained by any reduction of the Government revenue. Other causes will operate in the reduction of price. Competition among the European merchants at Canton, and the necessity for selling cotton goods and other manufactures for which tea is received in barter, has tended to maintain for that commodity high prices, but it is expected that the opening of ports contiguous to the tea districts will materially reduce the prime cost. Mr. Consul Alcock informed me at Foochowfoo, that he ascertained tea could be shipped from that port at 20 per cent. less than the Canton prices. The commercial prospects of this capital of the Fokien province will be found under its distinctive head. Some tea has been shipped from Ningpo, and several cargoes from Shanghai direct for England (*see* Shanghai Consulate). The shipments from the latter-named port will probably increase in return for the large quantities of British manufactures sent thither. Competition will thus take place with the Cantonese, and the sale price be lowered materially. Considerable efforts have been made by the Chinese and former Hong merchants at Canton to confine the foreign tea trade to that city; and in this they have been aided not only by the possession of large capital, enabling them to make contracts with and advances to the tea cultivators and manufacturers, but also by an extensive credit which assists them to take off and dispose of a considerable quantity of our manufactures, and by the routine of old established channels which are not easily changed, and also by the promulgation of official documents and edicts arising partly from the Imperial policy of keeping foreigners at the extremity of the empire, and partly from a fear of losing the transit and other duties which tea pays during its conveyance from Fokien and Chekeang to Canton. Tea will ultimately be shipped from the most convenient port near to the place of growth, when our merchants are permitted to carry on a free and unrestricted intercourse with China, which would be far more beneficial for the Chinese than for ourselves. Chusan produces considerable quantities of superior tea, which is sent unmanufactured to Ningpo and other places for the use of the mandarins. Were Chusan or some contiguous island a British possession, tea would be brought from different ports of the adjacent sea coast, and thus shipped for England at a reduced cost. It is not our policy or interest to maintain the tea trade at Canton; on the contrary, we ought to promote this valuable commerce in the northern ports. There has latterly been considerable fluctuations in the price of tea, in consequence of extravagant speculations. About the month of June 1839, when the intelligence of Commissioner Lin having issued prohibitory edicts against opium smuggling reached England, speculation began in tea, and was principally sustained by the operations of a wealthy retired opium dealer. Congou rose from 1 *s.* to 1 *s.* 5 *d.* per lb., and this description of tea became the regulating price for all other teas. On 1st August, news of trade being stopped at Canton reached London, and Congou advanced to 1 *s.* 8 *d.*; in October to 2 *s.* in consequence of Captain Elliott's order that no British ship should go up the river to Canton. On 2d December Congou rose to 2 *s.* 7 *d.*, it being known that hostile measures were to be forthwith adopted towards China. The stock of tea on hand in England, 31st December 1839, was 52,500,009 lbs., and the quantity delivered for 1839 was 32,366,412 lbs. On 16th January 1840, the speech from the throne announced that Her Majesty's Government considered the dispute with China national, and the price of Congou rose to 3 *s.* 2 *d.* per lb. The rumour of a treaty being arranged by Captain Elliott brought down prices to 2 *s.* 9 *d.*, but on the refusal of Lin to ratify it, they rose to 3 *s.* 2 *d.* On the arrival of tea taken out of American ships at Hong Kong, and permission to land it, prices fell to 2 *s.* 8 *d.*, but rose on 11th March 1840 to 3 *s.* 2 *d.*, on rumour that a delaration of war against China had been issued by the Governor-General of India, in the name of the British Government. When it was known that no declaration of war had been issued, prices fell to 2 *s.* Thus the fluctuation proceeded, affected by every true intelligence or false report artfully promulgated. At the close of 1840 the stock on hand was 46,500,000 lbs., and the quantity delivered for home consumption during the year, 35,136,232 lbs.; the highest prices during the year, 3 *s.* 3 *d.*, lowest 1 *s.* 11 *d.* per lb. Throughout the year 1841, the speculations were continued, almost every day producing a new rumour and a rise or fall. On 17th August a dated letter was inserted in second edition of the Herald and Chronicle, which was said to have been received from Man, 27th April, and put on board the Bombay steamer after the mail and other despatches had been embarked. In this letter it was asserted that the Emperor had ordered the destruction of all teas, and that the order was rigidly obeyed, that hostilities had recommenced, and that

not

not 1,000 chests of tea had found their way to the outer coasters by smuggling. This fraud rose prices immediately, but they fell again on the discovery of the forgery. On 31st August the stock in the United Kingdom was reduced to 29,000,000 lbs., the lowest which had taken place, and this aided the rage for speculation. The siege of Canton, its evacuation, the local truce, indemnity of $ 6,000,000 caused large operations in what were termed "time bargains." A gambling called "puts and calls" arose, one person purchasing from another the right of buying or selling to him at a certain price, a defined quantity of tea on a given day. The announcement that although we were pushing the war on the east and north coasts of China, the truce was to exist with Canton, and trade to proceed as usual, almost entirely checked the speculation in November and December 1841. On 31st December 1841 the stock on hand was 36,000,000 lbs., and the quantity delivered for home consumption 32,262,905 lbs. Prices ranged for Congou from 1*s.* 4½*d.* to 2*s.* 9*d.* During 1842 speculation was slow and cautious, but the market nearly resumed its usual steady operations, and prices fell to 1 *s.* 5*d.* on the arrival, 22d November, of the treaty of Nankin. The quantity consumed for the year was about 36,000,000 lbs., and the stock in hand 34,000,000 lbs.; range of prices, 1 *s.* 5 *d.* to 2 *s.* per lb. for Congous.

Probably at no period since the celebrated Mississippi scheme was there ever greater and more prolonged speculation in one article. Expresses were established between Marseilles and London; large sums paid for early official information; newspapers were feed for promulgating false intelligence. At Garraway's the speculators continued this gambling in tea throughout the evening, and for a part of the night. Monied interest was transferred from the Stock Exchange to the Jerusalem Coffee-house and to Garraway's Mart. The mania spread into the country among wholesale and retail dealers in tea, and fortunes were lost and made with marvellous rapidity. The usual results ensued; the steady pursuit of trade was abandoned for the wildest gambling. Men who rose wealthy in the morning were beggars at night, and suicide, bankruptcy, and ruin to many a hearth and home closed the scene.

It behoves the Government to avoid interfering with the routine into which the trade has now subsided. Some persons still hold inferior teas, almost rubbish, that were purchased at enormously high prices during the speculation. Their only prospect of sale is a reduction of the duty, and an alteration in the mode of levying the duty, by admitting inferior teas at a lower customs rate. These persons and their agents are therefore very clamorous for an alteration in the duty to suit their purposes; but Government can look only to the public interests, and these were considered as best served by an uniform rate of duty on all teas entered after 1st July 1836.

It was attempted in 1834, when the trade with China was thrown open by the abolition of the monopoly of the East India Company, to levy *ad valorem* duty of 1*s.* 6*d.* per pound on Bohea, 2*s.* 2*d.* per pound on Congou, 3*s.* per pound on Souchong, &c. This was deemed preferable to the mode adopted previous to 1834, viz. 96 per cent. on all teas sold at or under 2*s.* per pound, and 100 per cent. on all teas sold above 2*s.* per pound; but the levy of a discriminating duty on Bohea, Congou, &c. was, after two years' trial, found impracticable, and in 1836 the uniform rate of 2*s.* 1*d.* per pound on all descriptions of tea was levied, which, with the additional five per cent. imposed in 1840, makes the total duty now levied per pound 2*s.* 2*d.* and a fraction.

The present system of an uniform duty on all teas was adopted at the urgent request of the tea brokers and tea dealers in England; and it is impossible to examine impartially the evidence taken before the Select Committee of Parliament, appointed 6th May 1834, to inquire into the expediency of establishing one fixed rate of duty, without seeing the justice of such a proceeding, no less for the interest of the public than for the advantage of the revenue. Sir George Staunton, who was on that Committee, and possessing the largest information, truly observed that he believed the present system of a rated duty had not the support of a single individual who ever was in China. Moreover, any rated duty as to quality or price would exceedingly disturb the simplicity with which the tea trade is now conducted at Canton, where the merchant is unfettered in his purchases by any other consideration than the intrinsic goodness of the leaf he is buying. If two or more rates of duty were levied in England, inferior qualities of tea would be produced, whereas when the duty is alike on all teas, good or bad, the merchant finds it his interest to export only the good.

The consumption of tea in the United Kingdom being estimated at 45,000,000 lbs. yearly, and sold at an average price to the consumer of 4*s.* 6*d.* per pound, the money expended for tea is 9,900,000*l.*, or in round numbers, 10,000,000*l.* sterling.

The expenditure of this sum is distributed as follows:

| | £. |
|---|---|
| Net cost of 36,000,000 lbs. at 15*d.* per pound, or about 25 taels per picul, 717 taels to 1,000 dollars, or about 70*d.* per tael exchange dollar of 4*s.* 2*d.* to 4*s.* 3*d.* picul 133 ⅓ lbs. | 2,250,000 |
| Export duty in China, $3.37. per picul, or 1 ½ *d.* per pound, about | 280,000 |
| Shipping charges, &c. in China | 25,000 |
| Freight, &c. China to England, 2*d.* per pound | 375,000 |
| Insurance, a halfpenny per pound | 93,000 |

 (*continued*)

| | £. |
|---|---|
| Commission, about one farthing per pound - - - - - - - | 46,000 |
| Tasting charges, about one-eighth of a penny per pound, or - - - | 23,000 |
| Interest for six months on 3,000,000 *l.*, at five per cent. - - - - | 75,000 |
| Total Outlay in China - - - | 3,167,000 |
| Profit to exporters of above 12 per cent., or about - - - - - | 300,000 |
| Landing charges, &c. in England - - - - - - - - - - | 33,000 |
| Cost price in bond in England - - - - - - - - - - | 3,500,000 |
| Duty received by Government, at 2*s.* 2¼ *d.* per pound average - - - | 4,920,000 |
| | 8,420,000 |
| Profit divided among tea brokers, wholesale and retail dealers, &c. - - | 1,580,000 |
| Total Outlay by British Public for Tea - - - £. | 10,000,000 |

It is more than probable that tea has now reached the limit of consumption in England, and that any reduction of taxation (even if such reduction went not into the pockets of the tea merchants and the dealers), would not augment the use of this innutritious leaf. A financier knows that there are some articles, viz., salt, pepper, &c., which cannot be increased in use beyond a given extent by fiscal diminution; and tea, which must be used alone, and which cannot, like sugar and other articles, be mixed with various substances, is in this category.

A reduction of the tea duties from 2*s.* to 1*s.*, as proposed, would therefore diminish the revenue one-half without any perceptible corresponding advantage to the consumer; and unless the State is in a condition to throw away from one to two million sterling of income, or to levy this amount on some other article, there can be no justifiable grounds for the proposed reduction. But it is also worthy of note, that the use of tea as a beverage is a factitious taste which may decline (as has been the case throughout Europe) as rapidly as it has arisen; that the rate of duty levied shuts out tea of very inferior quality, and that the glutting of the market with a worthless or injuriously adulterated herb, might produce a national distate, especially among the labouring classes, with whom coffee is a preferable stimulant, and cocoa a more nutritious beverage.

The idea that by reducing the price of teas in England a largely increased consumption would take place, which would be paid for in British manufactures, is fallacious, and will be found adverted to in other parts of this Report, and it is wiser to await and see the effects which importing teas direct from Shanghai, and other northern ports in China, may have in reducing the cost price; and which, as before observed, may it is said be done to the extent of nearly 20 per cent. as compared with the present Canton prices. If this reduction take place in the prime cost at the port of shipment, the Government will be enabled to ascertain how far such reduction will benefit the consumer, or extend the consumption at home. On a mature and impartial consideration of the whole subject, it does not appear politic or advisable to make now any alterations in the tea duties, neither as regards the vital interests of the State, which cannot afford to jeopardize nearly four millions sterling of annual revenue, steadily and economically paid into the British Exchequer, nor as affects the great bulk of the nation, who as consumers would derive little or no benefit in the price of an article supplied by only one foreign country, and who may as well pay their necessary quota of taxation on tea as on any other article subject to custom or excise duties.

*Robert Montgomery Martin.*

China, July 1845.

[*The General Report on China, as laid before the Board of Trade, and printed by permission of Her Majesty's Government in two volumes octavo, has been published by Mr. Madden, of Leadenhall-street, London.*]

## (10.)

QUANTITY of TEA Imported from *China* into the United Kingdom, since the Year 1669; Rates of Duties Levied; Quantities Retained for Home Consumption; Revenue Received; Average Price per Pound, &c.—By *R. Montgomery Martin*, Her Majesty's Treasurer for *China*.

| YEARS. | Quantity of Tea Imported. | Rates of Duty Levied; Customs and Excise. | Sold, or Retained for Consumption. | REVENUE RECEIVED. Great Britain. | Ireland. | TOTAL. | Average Price per Pound. | Sale; Amount. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| | *Lbs.* | | *Lbs.* | £. | £. | £. | | £. | (*) |
| 1669 - | 143 ¾ | 8*d.* a gallon on all teas made and sold in coffee-houses. | - - - | - - - | - - | - - - | 60 *s.* per lb. | — | |
| 1678 - | 4,713 | | | | | | | | |
| 1697 to 1699 aver. | 20,000 | 5 *s.* per lb. and 5 per cent. on the value. | - - - | - - - | - - | - - - | 30 *s.* per lb. | — | |
| 1700 to 1708 aver. | 80,000 | - - - | - - - | - - - | - - | - - - | 16 *s.* per lb. | — | |
| 1721 - | — | | | | | | | | |
| 1728 - | 1,100,000 | -13*l.* 18*s.* 7½*d.* per lb., and 4*s.* per lb. *ad valorem*. | 1,493,626 | 150,000 | - - | - - - | -10 *s.* to 35 *s.* per lb. | — | |
| 1741 - | - - - | | 1,192,261 | — | | | | | |
| 1742 - | - - - | | 473,868 | — | | | | | |
| 1743 - | - - - | | 710,633 | 243,000 | — | | | | |
| 1744 - | - - - | | 1,723,152 | 300,000 | — | | | | |
| 1745 - | - - - | -38*l.* 18*s.* 7½*d.* per cent., and 1*s.* per lb. | 2,422,610 | — | | | | | |
| 1746 - | - - - | | 2,496,379 | - - - | - - | - - - | - - - | 995,850 | |
| 1747 - | - - - | - - - | 215,019 | - - - | - - | - - - | - - - | 911,429 | |
| 1748 - | - - - | - - - | 3,150,517 | - - - | - - | - - - | - - - | 1,321,973 | |
| 1749 - | - - - | -43*l.* 18*s.* 7½*d.* per cent., and 1*s.* per lb. | 3,334,779 | - - - | - - | - - - | - - - | 1,425,708 | |
| 1750 - | - - - | | 2,295,506 | - - - | - - | - - - | - - - | 1,555,968 | |
| 1751 - | - - - | | 3,656,175 | - - - | - - | - - - | - - - | 1,316,568 | |
| 1752 - | - - - | - - - | 2,272,909 | - - - | - - | - - Not ascertainable in these years from any existing records. | - - - | 1,238,434 | |
| 1753 - | - - - | - - - | 3,253,083 | - - - | - - | | - - - | 830,902 | |
| 1754 - | 4,500,000 | - - - | 3,048,835 | - - - | - - | | - - - | 1,041,841 | |
| 1755 - | - - - | -43*l.* 18*s.* 7½*d.* per cent., and 1*s.* per lb. | 3,437,001 | - - - | - - | | - - - | 1,031,216 | |
| 1756 - | - - - | | 3,812,543 | - - - | - - | | - - - | 777,011 | |
| 1757 - | - - - | | 3,723,032 | - - - | - - | | - - - | 930,280 | |
| 1758 - | - - - | - - - | 3,520,634 | - - - | - - | | - - - | 809,583 | |
| 1759 - | - - - | - - - | 3,245,705 | - - - | - - | - - - | - - - | 1,263,462 | |
| 1760 - | - - - | - - - | 3,860,976 | - - - | - - | - - - | - - - | 1,409,305 | |
| 1761 - | - - - | -48*l.* 18*s.* 7½*d.* per cent., and 1*s.* per lb. on all sorts. | 4,308,234 | - - - | - - | - - - | - - - | 1,007,457 | |
| 1762 - | - - - | | 4,217,961 | - - - | - - | - - - | - - - | 1,242,766 | |
| 1763 - | 6,000,000 | | 5,307,292 | - - - | - - | - - - | - - - | 1,131,342 | |
| 1764 - | - - - | | 5,222,934 | — | | | | | |
| 1765 - | - - - | - - - | 5,204,219 | — | | | | | |
| 1766 - | - - - | - - - | 5,185,831 | 562,030 | — | | | | |
| 1767 - | 7,260,000 | - - - | 4,921,131 | 547,230 | — | | | | |
| | | - - The same duty, except black and singlo teas. | | 607,430 | — | | | | |
| | | | | 616,715 | — | | | | |
| 1768 - | - - - | | 7,676,243 | 609,846 | — | | | | |
| 1769 - | - - - | | 9,114,845 | 621,081 | — | | | | |
| 1770 - | - - - | | 8,634,054 | 695,108 | — | | | | |
| 1771 - | - - - | - - - | 6,306,881 | 877,042 | — | | | | |
| 1772 - | - - - | - - - | 6,721,626 | 1,028,060 | — | | | | |
| | | - - - | | 1,111,898 | — | | | | |
| 1773 - | - - - | - Same duty, | 3,776,229 | 1,176,861 | — | | | | |
| 1774 - | - - - | and 1*s.* per | 6,728,721 | 1,152,262 | — | | | | |
| 1775 - | - - - | lb. on all | 6,155,783 | 1,287,808 | — | | | | |
| 1776 - | - - - | sorts. | 4,467,609 | 1,450,252 | — | | | | |
| 1777 - | - - - | - - - | 5,119,862 | 1,757,257 | — | | | | |
| 1778 - | - - - | - - - | 4,179,761 | 2,348,004 | — | | | | |
| 1779 - | 9,916,760 | -51*l.* 7*s.* 6*d.* per cent., and 1*s.* -⅗*d.* per lb. - - | 6,341,986 | 2,925,298 | | | | | |
| 1780 - | 17,496,884 | | 7,328,098 | 3,098,428 | — | | | | |
| 1781 - | 23,841,683 | -53*l.* 6*s.* 3*d.* per cwt., and 1*s.* 1⅘*d.* per lb. - - | 4,883,970 | 3,043,224 | — | | | | |
| | | | | 3,370,610 | — | | | | |

(*) *See* Remarks, on page 503.



(*continued*)

| YEARS. | Quantity of Tea Imported. | Rates of Duty Levied; Customs and Excise. | Sold, or Retained for Consumption. | REVENUE RECEIVED. Great Britain. | Ireland. | TOTAL. | Average Price per Pound. | Sale; Amount. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| | *Lbs.* | | *Lbs.* | £. | | £. | *s. d.* | £. | (*) |
| 1782 - | 20,610,999 | 55*l.* 15*s.* 10*d.* per cent, and 1*s.* 1⅔*d.* per lb. - - | 6,202,257 | 3,130,616 | - - | - - Not ascertainable in these years from any existing records. | — | | |
| 1783 - | 22,462,703 | | 4,741,522 | 3,212,430 | - - | | | | |
| | | | | 3,249,294 | - - | | | | |
| 1784 - | 20,141,745 | - - - | 10,150,701 | 3,258,793 | - - | | | | |
| 1785 - | 17,991,032 | - - - | 14,800,932 | 3,369,426 | - - | | | | |
| 1786 - | 22,369,620 | - - - | 15,851,747 | 3,428,236 | - - | 579,681 | 3 4 | 4,794,359 | |
| 1787 - | 13,158,678 | - - - | 15,726,033 | 3,526,590 | - - | 585,083 | 3 1 | 4,102,668 | |
| 1788 - | 16,005,414 | 12*l.* 10*s.* per cent. - | 14,764,565 | 3,956,719 | - - | 600,077 | 2 11 | 3,114,479 | |
| 1789 - | 23,946,784 | | 16,505,499 | 3,003,650 | - - | 580,363 | 3 - | 3,502,388 | |
| 1790 - | 23,733,810 | | 16,430,095 | 3,362,588 | - - | 650,726 | 3 - | 3,987,007 | |
| 1791 - | 16,110,379 | - - - | 17,091,626 | 3,256,433 | - - | 651,885 | 2 9 | 3,489,385 | |
| 1792 - | 16,524,652 | - - - | 17,666,583 | - - - | - - | 649,121 | 2 9 | 3,323,297 | |
| 1793 - | 15,385,583 | - - - | 17,492,686 | - - - | - - | 671,974 | 2 10 | 3,266,642 | |
| 1794 - | 15,347,041 | - - - | 18,665,365 | - - - | - - | 759,202 | 2 9 | 3,692,224 | |
| 1795 - | 15,836,785 | 20 per cent. | 21,342,845 | - - - | - - | 925,676 | 2 10 | 3,713,591 | |
| 1796 - | 22,898,107 | | 20,324,707 | - - - | - - | - - - | 2 9 | 3,741,402 | |
| | | | | | | | 2 8 | 3,872,685 | |
| 1797 - | 28,324,880 | - If sold at or above 2*s.* 6*d.* per lb., 30*l.* per cent. *ad valorem*, and if sold under 2*s.* 6*d.*, 20*l.* per cent. *ad valorem*. | 18,858,427 | - - - | - - | 1,088,878 | 2 6 | 3,485,092 | |
| | | | | | | | 2 4 | 3,358,955 | |
| 1798 - | 31,580,111 | 35*l.* and 20*l.* | 22,483,258 | - - - | No Returns available. | 1,214,915 | 2 3 | 3,286,272 | |
| 1799 - | 25,996,008 | | 22,775,165 | - - - | | 1,278,589 | 2 3 | 3,527,345 | |
| 1800* - | 28,741,584 | 40*l.* and 20*l.* | 23,271,799 | - - - | | 1,222,087 | - - - | 3,283,794 | |
| 1801 - | 22,304,883 | 50*l.* and 20*l.* | 23,730,150 | - - - | | 1,423,660 | - - - | 3,487,494 | |
| 1802 - | 28,074,851 | | 25,400,294 | - - - | | 1,632,467 | — | | |
| 1803 - | 19,606,076 | 95*l.* and 65*l.* | 24,877,450 | - - - | | 1,929,614 | — | | |
| 1804 - | 21,640,089 | | 22,057,046 | - - - | | 2,599,739 | — | | |
| 1805 - | 19,497,371 | - 95*l.* 2*s.* 6*d.* and 65*l.* 2*s.* 6*d.* | 24,266,083 | - - - | | 3,336,524 | — | | |
| 1806 - | 21,565,423 | 96*l.* - - | 22,249,485 | - - - | | 3,446,671 | — | | |
| 1807 - | 27,959,945 | | 23,819,420 | - - - | | 3,520,174 | — | | |
| 1808 - | 29,668,291 | - - - | 25,226,642 | - - - | - - | 3,905,295 | — | | |
| 1809 - | 26,565,525 | - - - | 21,065,843 | - - - | - - | 3,592,705 | — | | |
| 1810 - | 25,405,931 | - - - | 24,486,408 | - - - | - - | 3,647,738 | — | | |
| 1811 - | 33,114,035 | - - - | 22,454,532 | - - - | - - | 3,752,111 | — | | |
| 1812 - | 30,537,652 | - - - | 24,584,402 | - - - | - - | 3,825,980 | — | | |
| 1813 - | 21,440,196 | - - - | 25,409,855 | - - - | - - | 3,776,030 | — | | |
| 1814 - | 22,325,450 | - - - | 24,389,501 | - - - | - - | 3,958,055 | — | | |
| 1815 - | - - - | - - - | 25,917,853 | - - - | - - | 4,058,092 | — | | |
| 1816 - | - - - | - - - | 22,693,992 | - - - | - - | 3,362,497 | — | | |
| 1817 - | - - - | - - - | 24,605,794 | - - - | - - | 3,431,364 | — | | |
| 1818 - | - - - | - If sold at or above 2*s.* per lb., 100*l.* per cent., under 2*s.* | 26,527,531 | - - - | - - | 3,872,694 | — | | |
| 1819 - | - - - | 96*l.* per cent. | 25,241,698 | — | | | | | |
| 1820 - | 30,147,994 | - - - | 25,712,935 | - - - | - - | 3,526,912 | — | | |
| 1821 - | 30,731,106 | - - - | 26,754,587 | - - - | - - | 3,738,428 | — | | |
| 1822 - | 27,362,766 | - - - | 27,574,025 | - - - | - - | 3,945,590 | — | | |
| 1823 - | 29,046,887 | - - Above 2*s.* per lb. 100*l.* per cent. *ad valorem*; under 2*s.* 9*6l.* per cent. *ad valorem*. | 27,093,015 | - - - | - - | 3,848,122 | — | | |
| 1824 - | 31,681,988 | | 27,648,295 | - - - | - | 3,865,477 | — | | |
| 1825 - | 29,345,717 | | 29,232,174 | - - - | - - | 4,031,019 | — | | |
| 1826 - | 29,840,421 | | 29,045,852 | - - - | - - | 3,738,043 | — | | |
| 1827 - | 39,746,238 | | 29,931,178 | - - - | - - | 3,705,590 | — | | |
| 1828 - | 32,678,767 | | 29,305,757 | - - - | - - | 3,448,843 | — | | |
| 1829 - | 30,544,404 | | 29,495,205 | - - - | - - | 3,321,723 | — | | |
| 1830 - | 31,897,745 | | 30,046,935 | - - - | - - | 3,387,097 | — | | |
| 1831 - | 31,648,926 | - - - | 29,997,055 | - - - | - - | 3,344,919 | — | | |
| 1832 - | 31,709,016 | - - - | 31,548,381 | - - - | - - | 3,509,839 | — | | |
| 1833 - | 32,057,832 | - - - | 31,829,620 | - - - | - - | 3,444,102 | — | | |

(*) See Remarks, next page.

* The duty in Ireland on tea was, until 1800, from 4*d.* and 7*d.* per lb.; then raised to 20*l.* and 35*l.* per cent. *ad valorem*; 1802, to 23 *l.* and 38 *l.*; in 1804, to 51 *l.* and 84 *l.*; in 1806, to 71 *l.* and 84 *l.*; 1810, to 93 *l.*; 1814, to 96 *l.*; 1819, to 96 *l.* and 106 *l.* per cent.——The revenue from tea sold in Ireland is not included from the year 1789 to 1828; it was kept separate until 1827.

| YEARS. | Quantity of Tea Imported. | Rates of Duty Levied; Customs and Excise. | Sold, or Retained for Consumption. | REVENUE RECEIVED. Great Britain. | Ireland. | TOTAL. | Average Price per Pound. | Sale; Amount. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| | *Lbs.* | | *Lbs.* | £. | £. | £. | | £. | (*) |
| 1834 - | 33,643,980 | - - Bohea, 1*s.* 6*d.*; Congou, Twankay, Hyson Skins, Orange Pekoe, and Campoi, 2 *s.* 2 *d.*; other sorts, 3*s.* per lb. | 34,969,651 | - - - | - - | 3,589,861 | - - Congou, 31 December, 1*s.* -½*d.* to 2 *s.* 5*d.* | | |
| 1835 - | 44,360,550 | | 36,574,004 | - - - | - - | 3,832,427 | — | | |
| 1836 - | 49,307,701 | - - - | 49,142,236 | - - - | No Returns available. | 4,674,535 | - - 10½ *d.* to 2 *s.* 2 *d.* | Unknown. | |
| 1837 - | 36,973,981 | - - All sorts, 2 *s.* 1 *d.* per lb. - - | 30,625,206 | - - - | | 3,223,840 | - - 1 *s.* 6*d.* to 3 *s.* | | |
| 1838 - | 40,413,714 | | 32,351,593 | - - - | | 3,362,035 | - - 1 *s.* 1 *d.* to 2 *s.* 4 *d.* | | |
| 1839 - | 38,158,008 | - - - | 35,127,287 | - - - | | 3,658,803 | - - 2 *s.* 3 *d.* to 3 *s.* | | |
| 1840 - | 28,021,882 | - - - | 32,252,628 | - - - | | 3,472,364 | - - 2 *s.* 2 *d.* to 2 *s.* 8 *d.* | | |
| 1841 - | 30,787,796 | - - - | 36,675,667 | - - - | - - | 3,973,668 | - - 1 *s.* 9 *d.* to 2 *s.* 3 *d.* | | |
| 1842 - | 40,742,128 | - - - | 37,355,911 | - - - | - - | 4,088,957 | - - 1 *s.* 1 *d.* to 2 *s.* 3 *d.* | — | |
| 1843 - | 46,612,737 | - - 2 *s.* 2¼ *d.* per lb. | 40,293,393 | - - - | - - | 4,407,642 | - - 11 *d.* to 2 *s.* | — | |
| 1844 - | 53,147,078 | - - - | 41,363,770 | - - - | - - | 4,524,193 | - - 10 *d.* to 2 *s.* 4 *d.* | — | |
| 1845 - | 51,056,979 | - - - | 44,193,433 | - - - | - - | 4,833,353 | - - 8½ *d.* to 2 *s.* 2 *d.* | — | |
| 1846 - | †56,503,000 | - - - | 47,534,000† | - - - | - - | 5,199,000† | - - 8½ *d.* to 2 *s.* 1 *d.* | — | |

(*) *Remarks.*—From 1731 to 1734, the prices of tea were, Bohea and Congou, 10 *s.* to 14 *s.* per lb.; Pekoe, 14 *s.* to 18 *s.* Hyson, 25 *s.* to 35 *s* per lb.

"The Commutation Act," passed in 1704, required the East India Company to make quarterly sales, to sell, even if 1 *d.* were offered on the prime cost, and to keep always on hand a quantity equal to one year's consumption. The duty was reduced to 12 *l.* 10 *s.* per cent., Customs and Excise. The object of the "Commutation Act" was to suppress smuggling, which it did effectually, to increase the importation of tea, and cause a diminution of price to the consumer; hence the augmentation of tea used, and not (as erroneously supposed) from a reduction of duty from 27 *l.* 10 *s.* to 12 *l.* 10 *s.* per cent. In 1795 the duty was raised to 20 *l.* per cent.; in 1798, to 35 *l.*; in 1800, to 40 *l.*; in 1801, to 50 *l.*; in 1803, to 95 *l.*; and yet the consumption of tea steadily increased. An examination of this Table shows that tea has had an extended consumption, irrespective of the duty levied, and chiefly during late years, when the duty has been highest.

From 1818 to 1819, average price of tea, Bohea, 2 *s.* 6 *d.*; Congou, 3 *s.*; Twankay, 3 *s.* 2 *d.*; Hyson, 5 *s.* 3 *d.* per lb. Bohea, 3 *s.* 1 *d.*; Congou, 3 *s.* 3 *d.*; Campoi, 3 *s.* 6 *d.*; Souchong, 4 *s.*; Twankay, 3 *s.* 7 *d.*; Hyson, 5 *s.* 10 *d.*; Pekoe, 7 *s.*: Hyson Skin, 3 *s.* 10 *d.*; average prices of 1814.

From 1825 to 1829, average price, Bohea, 1 *s.* 9 *d.*; Congou, 2 *s.* 3 *d.*; Twankay, 2 *s.* 6 *d.*; Hyson, 4 *s.* 4 *d.* per lb. Bohea, 1 *s.* 6 *d.*; Congou, 2 *s.* 3 *d.*; Campoi, 3 *s.* 6 *d.*; Souchong, 2 *s.* 10 *d.*; Twankay, 2 *s.* 5 *d.*; Hyson, 5 *s.* 10 *d.*; Pekoe, 3 *s.* 9 *d.*; Hyson Skin, 2 *s.* 3 *d.* per lb. Bohea, 1 *s.* 6 *d.*; Congou, 1 *s.* 7½ *d.* to 2 *s.* 11 *d.*; Campoi, 2 *s.* 6 *d.* to 3 *s.*; Souchong, 3 *s.* 1 *d.* to 4 *s.* 8 *d.*; Twankay, 2 *s.* 1¼ *d.* to 3 *s.* 7 *d.*; Hyson, 3 *s.* 9 *d.* to 4 *s.* 2 *d.*; Gunpowder, 5 *s.* 9 *d.* to 6 *s.* per lb. During the years 1828, 1829, and 1830, there were sold at the East India House, 8,000,000 lbs. of Bohea, at an average of 1 *s.* 6 *d.* per lb. Bohea, 1 *s.* 6 *d.*; Congou, 2 *s.*; Twankay, 2 *s.* 2 *d.*; Hyson, 3 *s.* 7 *d.* per lb.

Since 1835, the prices of tea are given for Congou only, and on the 31st December in each year; when prices are low. The tea market is ruled by Congou, as it is the largest description sold; for instance, of 50,991,000 lb. of all sorts of tea delivered in 1846, there were 35,255,000 lbs. of Congous. There was no importation of Bohea at all in 1846. In 1835, the whole of the teas, from Congou to Gunpowder (14 in number), averaged 1 *s.* 9 *d.* to 2 *s.* 9 *d.* per lb.; with a stock on hand of 52,750,000 lbs. on 31st December. In 1845, the same teas averaged, at the same period, 11½ *d.* to 2 *s.* 3 *d.* per lb.; with a stock on hand of 41,938,000 lb. The difference of price on Congous in December 1844 and 1845 was only 1 *d.* to 2 *d.* per lb. decline in the year. On the 31st December 1846, the prices of Congou were 9¼ *d.* to 2 *s.* 3½ *d.* per lb.; stock on hand 48,500,000 lbs.

† From Tea Circular of Messrs. Wm. Jas. Thompson & Sons, 22 January 1847.

# Appendix, No. 4.

A TABLE showing the laying down Prices in *London* of 1 lb. of Tea, costing in *China* from 10 Taels to 85 Taels per Pecul of 133 ⅓ d. lbs. to the Pecul, including Merchants' Commission in *China*, &c., 1 per cent. Broker's Commission in *London*, Management Rates and Warehousing Charges, Insurance 2½ per cent., and Freight at 5 *l.* per Ton.

| Taels. | s. 4 | d. | s. 4 | d. 1 | s. 4 | d. 2 | s. 4 | d. 3 | s. 4 | d. 4 | s. 4 | d. 5 | s. 4 | d. 6 | s. 4 | d. 7 | s. 4 | d. 8 | s. 4 | d. 9 | s. 4 | d. 10 | s. 4 | d. 11 | s. 5 | d. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | – | 8 1/8 | – | 8 1/4 | – | 8 3/8 | – | 8 1/2 | – | 8 5/8 | – | 8 3/4 | – | 8 7/8 | – | 9 | – | 9 | – | 9 1/8 | – | 9 1/4 | – | 9 1/2 | – | 9 1/2 |
| 11 | – | 8 3/4 | – | 8 7/8 | – | 9 | – | 9 | – | 9 1/8 | – | 9 1/4 | – | 9 1/2 | – | 9 1/2 | – | 9 | – | 9 | – | 9 1/2 | – | 10 1/8 | – | 10 1/8 |
| 12 | – | 9 1/4 | – | 9 3/8 | – | 9 1/2 | – | 9 5/8 | – | 9 3/4 | – | 9 7/8 | – | 10 | – | 10 | – | 10 1/8 | – | 10 1/8 | – | 10 3/8 | – | 10 3/4 | – | 10 3/4 |
| 13 | – | 9 3/4 | – | 10 | – | 10 | – | 10 1/8 | – | 10 1/4 | – | 10 3/8 | – | 10 5/8 | – | 10 3/8 | – | 10 | – | 11 | – | 11 | – | 11 3/8 | – | 11 1/2 |
| 14 | – | 10 1/4 | – | 10 1/2 | – | 10 5/8 | – | 10 3/4 | – | 10 7/8 | – | 11 | – | 11 1/4 | – | 11 1/8 | – | 11 | – | 11 3/8 | – | 11 7/8 | 1 | – | 1 | – 1/4 |
| 15 | – | 10 7/8 | – | 11 | – | 11 1/8 | – | 11 1/4 | – | 11 3/8 | – | 11 5/8 | – | 11 7/8 | 1 | – | 1 | – | 1 | – 1/8 | 1 | – 1/8 | 1 | – 3/8 | 1 | 1 |
| 16 | – | 11 | – | 11 1/2 | – | 11 3/4 | 1 | – | 1 | – 1/8 | 1 | – | 1 | – 1/8 | 1 | – 1/8 | 1 | – 1/8 | 1 | 1 | 1 | 1 | 1 | 1 3/8 | 1 | 1 5/8 |
| 17 | – | 11 7/8 | 1 | – | 1 | – 1/8 | 1 | – 1/2 | 1 | – 1/8 | 1 | – 1/4 | 1 | – 1/4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 1/4 |
| 18 | 1 | – 1/2 | 1 | – 1/8 | 1 | – 1/8 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 3/8 | 1 | 3 |
| 19 | 1 | 1 | 1 | 1 | 1 | 1 1/8 | 1 | 1 1/8 | 1 | 1 1/8 | 1 | 1 1/8 | 1 | 1 1/8 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 3 | 1 | 3 |
| 20 | 1 | 2 1/2 | 1 | 1 | 1 | 2 | 1 | 2 1/4 | 1 | 2 | 1 | 2 1/4 | 1 | 2 1/8 | 1 | 2 1/8 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 4 | 1 | 4 |
| 21 | 1 | 2 | 1 | 2 | 1 | 2 1/8 | 1 | 2 1/8 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 5 |
| 22 | 1 | 2 5/8 | 1 | 2 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 5 | 1 | 5 | 1 | 5 |
| 23 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 3 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 6 | 1 | 6 |
| 24 | 1 | 3 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 7 |
| 25 | 1 | 4 | 1 | 4 | 1 | 4 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 8 |
| 26 | 1 | 4 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 |
| 27 | 1 | 5 | 1 | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 |
| 28 | 1 | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 9 | 1 | 9 |
| 29 | 1 | 6 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 |
| 30 | 1 | 6 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 9 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 | 1 | 11 |
| 31 | 1 | 7 | 1 | 7 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 19 | 1 | 10 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 1 | 11 |
| 32 | 1 | 8 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 2 | – | 2 | – |
| 33 | 1 | 8 | 1 | 8 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | 1 |
| 34 | 1 | 9 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 1 |
| 35 | 1 | 9 | 1 | 9 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 2 |
| 36 | 1 | 10 | 1 | 10 | 1 | 11 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 3 |
| 37 | 1 | 10 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 3 |
| 38 | 1 | 11 | 1 | 11 | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 4 |
| 39 | 1 | 11 | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 |
| 40 | 2 | – | 2 | – | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 5 |
| 41 | 2 | – | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 6 |
| 42 | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 |
| 43 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 7 | 2 | 7 | 2 | 7 |
| 44 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 8 |
| 45 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 |
| 46 | 2 | 3 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 9 |
| 47 | 2 | 4 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 7 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 |
| 48 | 2 | 4 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 7 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 |
| 49 | 2 | 5 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 2 | 11 |
| 50 | 2 | 5 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 2 | 11 | 3 | – |
| 51 | 2 | 6 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 3 | – | 3 | – | 3 | 1 |
| 52 | 2 | 6 | 2 | 7 | 2 | 8 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 11 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 1 |
| 53 | 2 | 7 | 2 | 7 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 11 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 1 | 3 | 2 |
| 54 | 2 | 7 | 2 | 8 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 |
| 55 | 2 | 8 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 11 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 3 |
| 56 | 2 | 9 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 |
| 57 | 2 | 9 | 2 | 10 | 2 | 10 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 4 | 3 | 5 |
| 58 | 2 | 10 | 2 | 10 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 |
| 59 | 2 | 10 | 2 | 11 | 3 | – | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 6 |
| 60 | 2 | 11 | 2 | 11 | 3 | – | 3 | 1 | 3 | 1 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 |
| 61 | 2 | 11 | 3 | – | 3 | 1 | 3 | 1 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 7 |
| 62 | 3 | – | 3 | 1 | 3 | 1 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 8 |
| 63 | 3 | – | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 9 |
| 64 | 3 | 1 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 9 | 3 | 9 |
| 65 | 3 | 1 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 |
| 66 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 9 | 3 | 10 | 3 | 11 |
| 67 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 3 | 11 |
| 68 | 3 | 3 | 3 | 4 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 3 | 11 | 4 | – |
| 69 | 3 | 4 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 |
| 70 | 3 | 4 | 3 | 5 | 3 | 6 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 1 |
| 71 | 3 | 5 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 1 | 4 | 2 |
| 72 | 3 | 5 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 |
| 73 | 3 | 6 | 3 | 7 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 |
| 74 | 3 | 6 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 4 |
| 75 | 3 | 7 | 3 | 8 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 |
| 76 | 3 | 7 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 |
| 77 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 5 | 4 | 6 |
| 78 | 3 | 8 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 6 | 4 | 7 |
| 79 | 3 | 9 | 3 | 10 | 3 | 11 | 4 | – | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 |
| 80 | 3 | 10 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 | 4 | 8 |
| 81 | 3 | 10 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 5 | 4 | 7 | 4 | 8 | 4 | 9 | 4 | 9 |
| 82 | 3 | 11 | 3 | 11 | 4 | 1 | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 | 4 | 9 | 4 | 10 |
| 83 | 3 | 11 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 | 4 | 9 | 4 | 10 | 4 | 10 |
| 84 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 | 4 | 9 | 4 | 10 | 4 | 11 |
| 85 | 4 | – | 4 | 1 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 5 | 4 | 6 | 4 | 7 | 4 | 8 | 4 | 9 | 4 | 10 | 4 | 11 | 4 | 11 |

The Rate of Exchange at the present time is 4*s.* 6*d.*

## Appendix, No. 5.

COST of TEA and SILK as Returns from China, including Commission, Shipping Expenses, Freight (Tea at £. 4, and Silk at £. 5 per Ton of 50 Feet), Insurance, Landing Charges, Brokerage and Commission on Sale, and allowing for an Average Loss in Weight.

| First Cost in Taels per Pecul. | TEA. Sterling per lb. at Exchange per Dollar. | | | | | | First Cost in Dollars per Pecul. | SILK. Sterling per lb. at Exchange per Dollar. | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4/2 | 4/3 | 4/4 | 4/5 | 4/6 | 4/9 | | 4/2 | 4/3 | 4/4 | 4/5 | 4/6 | 4/9 |
| 14 | 10 | 10 1/8 | 10 1/4 | 10 3/8 | 10 5/8 | 11 | 300 | 10/8 3/4 | 10/11 1/2 | 11/1 1/2 | 11/4 1/2 | 11/6 1/2 | 12/2 |
| 16 | 11 1/8 | 11 1/2 | 11 5/8 | 11 3/4 | 12 | 12 1/2 | 320 | 11/5 1/4 | 11/7 3/4 | 11/10 | 12/0 1/4 | 12/3 1/2 | 12/11 1/4 |
| 18 | 12 3/8 | 12 5/8 | 12 3/4 | 12 7/8 | 13 1/4 | 13 7/8 | 340 | 12/1 | 12/4 1/4 | 12/7 | 12/10 | 13/0 1/2 | 13/9 1/4 |
| 19 | 12 3/4 | 13 1/4 | 13 3/8 | 13 1/2 | 13 7/8 | 14 5/8 | 350 | 12/5 3/4 | 12/8 3/4 | 12/11 1/2 | 13/2 | 13/5 3/4 | 14/2 |
| 20 | 13 5/8 | 13 7/8 | 14 | 14 3/8 | 14 5/8 | 15 1/4 | 360 | 12/9 3/4 | 13/1 1/4 | 13/4 | 13/6 3/4 | 13/9 3/4 | 14/6 3/4 |
| 22 | 14 3/4 | 15 | 15 1/4 | 15 3/8 | 15 3/4 | 16 1/2 | 370 | 13/2 | 13/5 | 13/8 1/4 | 13/11 1/4 | 14/2 1/4 | 14/11 1/2 |
| 23 | 15 3/8 | 15 5/8 | 15 3/4 | 16 | 16 3/8 | 17 1/4 | 380 | 13/6 | 13/9 1/2 | 14/0 1/2 | 14/4 | 14/6 1/2 | 15/4 |
| 24 | 16 | 16 1/4 | 16 1/2 | 16 3/4 | 17 | 18 | 390 | 13/10 | 14/2 | 14/5 | 14/8 | 14/11 1/4 | 15/8 1/2 |
| 26 | 17 | 17 3/8 | 17 3/4 | 18 1/8 | 18 3/8 | 19 1/4 | 400 | 14/2 1/2 | 14/6 | 14/9 1/2 | 15/0 1/2 | 15/3 3/4 | 16/1 1/2 |
| 28 | 18 1/4 | 18 5/8 | 18 7/8 | 19 1/4 | 19 5/8 | 20 5/8 | 410 | 14/6 1/4 | 14/9 3/4 | 15/1 1/2 | 15/4 1/2 | 15/8 | 16/6 1/4 |
| 30 | 19 1/2 | 19 1/4 | 20 1/8 | 20 1/2 | 20 7/8 | 22 | 420 | 14/10 1/2 | 15/2 1/4 | 15/5 1/4 | 15/9 1/4 | 16/0 1/4 | 16/11 |
| 31 | 20 | 20 1/2 | 20 3/4 | 21 | 21 1/2 | 22 1/2 | 430 | 15/3 | 15/6 1/4 | 15/10 | 16/1 1/4 | 16/5 1/4 | 17/4 |
| 32 | 20 5/8 | 21 | 21 3/8 | 21 7/8 | 22 1/4 | 23 3/8 | 440 | 15/7 | 15/10 1/2 | 16/2 1/2 | 16/6 | 16/9 3/4 | 17/8 3/4 |
| 34 | 22 | 22 1/4 | 22 5/8 | 23 | 23 1/2 | 24 5/8 | 450 | 15/11 3/4 | 16/3 | 16/7 1/4 | 16/10 5/8 | 17/2 1/4 | 18/1 1/2 |
| 36 | 23 | 23 1/2 | 23 7/8 | 24 3/8 | 24 3/4 | 26 | 460 | 16/3 1/2 | 16/7 1/2 | 16/11 | 17/3 1/4 | 17/6 3/4 | 18/6 1/4 |
| 38 | 24 1/4 | 24 5/8 | 25 | 25 3/8 | 26 | 27 3/8 | 470 | 16/8 | 17/0 | 17/3 1/4 | 17/7 1/4 | 17/11 3/4 | 18/11 1/4 |
| 40 | 25 3/8 | 26 | 26 3/8 | 26 7/8 | 27 3/8 | 28 3/8 | 480 | 17/0 1/2 | 17/4 1/4 | 17/8 | 18/0 | 18/4 | 19/3 3/4 |

Liverpool, June 1846.

N.B.—The Pecul is equal to 133 1/3 lbs. English. 720 Taels are equal to 1,000 Dollars.

## Appendix, No. 6.

### PETITION OF BRITISH SUBJECTS.

Appendix, No. 6.

Petition of British Subjects.

TO the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland*, in Parliament assembled.

The humble Petition of the undersigned British Subjects residing in *China*, engaged in Mercantile pursuits,

Sheweth,

THAT your petitioners respectfully desire to call the attention of your Honourable House to the present position of British interests in China, which they conceive to be endangered by the course of policy pursued by the British authorities here since the conclusion of the treaty of peace.

That by the treaty of Nankin, the fruit of a long and costly war, great advantages were promised to all foreign nations; but your petitioners have seen with deep regret favourable opportunities unimproved, and even those advantages which have been secured endangered under the administration of the present Government.

That the policy pursued by Her Majesty' plenipotentiary and the subordinate consular officers towards British subjects appears to your petitioners to be characterized on all occasions by subserviency to the Chinese authorities, by a ready submission to injuries inflicted by them on British subjects, and an over eagerness to listen to complaints and to punish with severity when British subjects are supposed to have been the offenders.

That while the mercantile interests of your petitioners are endangered by this mistaken policy, their social position is in many respects worse than it was before any treaties between the two countries existed. Residents in Canton cannot now visit with safety even those places to which they formerly had free access, attacks upon them being now frequently made where heretofore they did not experience molestation, and there is too much reason for believing that these acts of aggression are connived at, if not encouraged, by the Chinese authorities. Among other instances of the hostility of the populace, it may be mentioned that two seamen belonging to a British vessel were very recently set upon without provocation on their part, and nearly murdered in the vicinity of the factories, yet no redress for this outrage, which was demanded and promised, has been obtained, although it is evident that, unless satisfaction is insisted upon by our Government for such acts, it will soon be unsafe for your petitioners to leave their houses in pursuit of their daily avocations.

Appendix, No. 6.

Petition of British Subjects.

That the right of entry into the city of Canton, and of proceeding to a reasonable distance into the country beyond it for exercise and relaxation, is guaranteed under the treaty; but residents there do not enjoy these rights, because in deference to the alleged inability of the Chinese Government to control their people, these privileges have been conceded by Her Majesty's plenipotentiary. Your petitioners respectfully submit, that if it were expedient to demand these privileges, formally granted by treaty, the exercise of them should be insisted on; for your petitioners have seen concession to the Chinese lead to further encroachment, and the unfavourable position in which your petitioners are now placed, they mainly attribute to the weakness displayed by the British authorities in China on this and other occasions.

Your petitioners are told that the Chinese Government is ever ready to afford protection to foreigners, and their being so professedly is alleged as a reason why no British naval force is permanently stationed off Canton according to the terms of the treaty; yet on a recent occasion the residents in Canton were left for more than three hours at the mercy of an infuriated rabble, and assistance was not then, and never has been, afforded them in proper time.

That while the Government of the country thus affords little or no protection to foreigners, your petitioners do not receive adequate protection from the British Government; for the danger which threatens them arises from sudden outbreaks of the populace, to suppress which it is essentially necessary that a vessel of war should be permanently stationed off the factories to render immediate assistance; yet, during the riots of July last, eleven hours elapsed before aid was received from Whampoa, and six days before a force arrived from Hong Kong, nor under any circumstances could assistance from those places be much more speedily afforded.

That on the occasion alluded to, when not British subjects only, but all foreigners, were compelled to defend their persons and property at the cost of life to their assailants, the culpable neglect of the Chinese authorities was so tardily or slightly urged by the representatives of the British Government, that the Chinese were permitted, themselves, to become the complainants, and to gratify them, an individual from among the community was singled out, and, without any evidence whatever, under the express orders of Her Majesty's plenipotentiary, was punished as the originator of the riot. On appeal to the Supreme Court of Hong Kong this unjust judgment was reversed.

That the Chinese officers in their correspondence on this subject have been permitted to adopt a style which your petitioners conceive to be derogatory to the dignity of the British nation, and therefore injurious to the interests of British subjects; and that Her Majesty's plenipotentiary has, on the same occasion, evinced so hostile a spirit towards his own countrymen, and seems so predisposed to find them in the wrong, as almost to invite aggression by holding out the prospect of impunity to the aggressors.

That the will of the Chinese Government is made known to the people by proclamations affixed in the public thoroughfares, and that some of those issued are of a highly objectionable nature, reflecting strongly upon the character of British subjects, and enforcing restrictions contrary to the terms of the treaty. Explanations and disavowals of the apparent object of some of these have been obtained in official correspondence, but those explanations never reaching the people, the hostile feeling these documents excite continues unabated. Your petitioners respectfully submit that it is the duty of the British authorities in China to insist that the contradiction and withdrawal of such offensive strictures be as public as the proclamation of them.

That your petitioners, in respectfully submitting these matters to the consideration of your Honourable House, cannot help expressing the claim they feel as men engaged in trade, the existence of which depends mainly on the preservation of tranquillity, at a course of policy which if persevered in must bring the two countries into collision; for your petitioners are convinced that a good understanding with the Chinese nation can only be maintained by a firm, just, and dignified line of conduct.

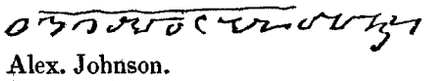
Your petitioners therefore humbly pray that Your Honourable House will take the premises into consideration, and adopt such measures as to your wisdom shall seem meet for the better protection of the lives, property, and trade of British subjects in China, and for securing to them all the privileges to which they are entitled by treaty.

And your petitioners, as in duty bound, will ever pray.

(signed)

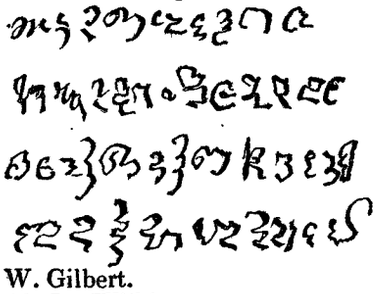
A. G. Dallas.
J. C. S. Bowring.
Gilbert Smith.
John Stewart.
Frazer Sinclair.
Charles F. Hill.
Henry Smith.
Geo. Findlay.
D. Fletcher.
W. F. Bevan.
T. S. Smith.
A. J. Croom.
Alex. Small.
George Dent.
F. Duval.
L. Josephs.
James Whitall.
Henry R. S. Carter.
Thomas Heane.
Mar. Fischer.
J. Macknellmoth.
John Silverlock.
George Moevil.
George Barnet.

(signed) Pat. Dudjeon.
R. R. Calvert.
William Blenhiem.
Francis B. Burley.
Ed. Bowstead.
L. M'Rudgel.
Joseph Wise.
Philip Wm. Ripley.
M. Wandley.
F. Chapman.
R. S. Gilman.
J. G. Levingstone.
J. F. Edgar.
James Worthington.
H. Balkwell.
Richard Rothwell.
Thomas Gettens.
Geo. J. Bennetts.
Alexander Walker.
A. W. Worlingh.
J. Skinner.
John H. Cannon.
Edward D. Lutzow.
W. W. A. S. Remshaw.
Charles Sanders.
Arch. Edwd. K. Campbell.
John Williams.
James Latten.



Alex. Johnson.
Richard Gibbs.
Henry Runter.
William Butler.
W. W. Dale.
C. Ryder.
H. C. Read.
John L. Maclean.
Alex. Grey.
Charles Hughesdon.
D. W. Mackenzie.

Limjee Jemsetjee.
Homzee A. Proctor.
David Wamajee Comjee.
Lloyd Edwards Murrow.
John Bull.
Thornton Dale.
Chas. E. Bateson.
Edw. Muven.
S. R. Brabuer.
Chas. Anderson.
J. Buxton.
Jno. Bellamy.
S. E. Pattull.
R. M. Gregor.
Hanacze Bonagee.
Ewnly Edubed.
William Barnett.
George Gebb.
David Jardine.
John T. Mounsoy.
R. H. Rolfe.
George De le Croix.
James D. Park.
Pat Chalmers.
Thos. C. Picope.
Horace Wiltshere.
Rustomjee Tiamsee.
Corrujgee Pentonjee.
Wm. M. S. Mattheson.
Arthur Agassiz.
John Shepard.
Robert Ellice.
Dadabhey By Ramyeny.
J. S. Durrell.
Chas. Sp. Compton.
S. J. Hallam.
Y. J. Murrow.
Wm. H. Vacher.
Jefferizee Budgoodcum.



W. Gilbert.
Al. Jn. Wilkinson.
Araaseer Turdoony.
Manaskjee Nanahany.
Kergjeerbhy Kinsagee.
Cawasjee Pallanjee.
Alexander Johnson.
William Hasting.
J. T. Cuvillier.
Alfred Wilkinson.
Anhen Melville.
Charles Milne.
William H. Franklyn.
Augustus Hudson.
John Cairns.
K. M. K. Keend.
Thomas Kirby.
Adam Scott.
John G. Morrison.

## Appendix, No. 7.

IMPORTS into the United States from *China*, from 1st July 1845 to the 30th June 1846.

| ARTICLES. | Free of Duty. | | Paying Duty ad valorem. | Paying Specific Duties. | |
|---|---|---|---|---|---|
| | Quantity. | Value. | Value. | Quantity. | Value. |
| | | *Dollars.* | *Dollars.* | | *Dollars.* |
| Tea - - - - - - - - - *lbs.* | 19,903,145 | 5,022,600 | — | — | — |
| All other articles - - - - - - - | - - - | 27,713 | — | — | — |
| Cotton manufactures (dyed, printed, or coloured) | - - - | - - - | 3,122 | — | — |
| Ditto - - (white or uncoloured) - | - - - | - - - | 110 | — | — |
| Ditto - - (twist, yarn, or thread) - | - - - | - - - | 5 | — | — |
| Other cotton manufactures - - - - - | - - - | - - - | 6 | — | — |
| Silks, floss, and manufactures not specified - | - - - | - - - | 395,889 | — | — |
| Gold and silver lace - - - - - - | - - - | - - - | 262 | — | — |
| Linens, bleached, and other hempen goods, viz. - | - - - | - - - | 1,522 | — | — |
| Ticklenburgs, Osnaburgs, and burlaps - - | - - - | - - - | 1,874 | — | — |
| Other hempen goods - - - - - - | - - - | - - - | 1,418 | — | — |
| Ready-made clothing - - - - - - | - - - | - - - | 403 | — | — |
| Other articles of clothing - - - - - | - - - | - - - | 370 | — | — |
| Grass-cloth and carpeting, not specified - - | - - - | - - - | 31,440 | — | — |
| Matting or mats - - - - - - - | - - - | - - - | 140,345 | — | — |
| Manufactures of leather, not specified - - | - - - | - - - | 54 | — | — |
| Manufactures of wood - - - - - - | - - - | - - - | 999 | — | — |
| Hats and bonnets (palm leaf, &c.) - - - | - - - | - - - | 1,054 | — | — |
| China and porcelain wares - - - - - | - - - | - - - | 23,163 | — | — |
| Japanned wares - - - - - - - | - - - | - - - | 18,689 | — | — |
| Furs - - - - - - - - - | - - - | - - - | 132 | — | — |
| Gold and silver manufactures - - - - - | - - - | - - - | 18 | — | — |
| Metal and other buttons - - - - - - | - - - | - - - | 8,710 | — | — |
| Coffee (imported from other places, and not their own growth) - - - - - - - - | - - - | - - - | 7 | — | — |
| Articles not enumerated (at 1 per cent.) - - | - - - | - - - | 3,320 | — | — |
| Ditto - - ditto (at 5 per cent.) - - | - - - | - - - | 511 | — | — |
| Ditto - - ditto (at 15 per cent.) - - | - - - | - - - | 9,960 | — | — |
| Ditto - - ditto (at 20 per cent.) - - | - - - | - - - | 93,090 | — | — |
| Ditto - - ditto (at 25 per cent.) - - | - - - | - - - | 23,020 | — | — |
| Ditto - - ditto (at 30 per cent.) - - | - - - | - - - | 1,053 | — | — |
| Sewing silk, silk twist, or twist of silk and mohair - - - - - - - - - *lbs.* | - - - | - - - | - - - | 469 | 2,990 |
| Pongees, plain, white, & other manufactures of „ | - - - | - - - | - - - | 145,666 | 519,231 |
| Raw silk, and all silk in the gum, &c. - „ | - - - | - - - | - - - | 16,657 | 43,173 |
| Silk shoes or slippers, laced boots, &c. - „ | - - - | - - - | - - - | 72 | 42 |
| Wines, Madeira - - - - - *gals.* | - - - | - - - | - - - | 14 | 65 |
| „ Sherry - - - - - - „ | - - - | - - - | - - - | 127 | 409 |
| Cordials - - - - - - - „ | - - - | - - - | - - - | 10 | 14 |
| Beer, ale and porter - - - - - „ | - - - | - - - | - - - | 9 | 4 |
| Chocolate - - - - - - - *lbs.* | - - - | - - - | - - - | 90 | 20 |
| Dates - - - - - - - - „ | - - - | - - - | - - - | 162 | 51 |
| Nutmegs - - - - - - - - „ | - - - | - - - | - - - | 572 | 262 |
| Black pepper - - - - - - - „ | - - - | - - - | - - - | 374 | 27 |
| Cassia - - - - - - - - „ | - - - | - - - | - - - | 1,047,530 | 91,765 |
| Ginger - - - - - - - - „ | - - - | - - - | - - - | 65 | 19 |
| Camphor - - - - - - - „ | - - - | - - - | - - - | 329,367 | 43,947 |
| Hams and bacon - - - - - - „ | - - - | - - - | - - - | 99 | 11 |
| Indigo - - - - - - - - „ | - - - | - - - | - - - | 1,412 | 850 |

| ARTICLES. | Free of Duty. | | Paying Duties ad valorem. | Paying Specific Duties. | |
|---|---|---|---|---|---|
| | Quantity. | Value. | Value. | Quantity. | Value. |
| | | *Dollars.* | *Dollars.* | | *Dollars.* |
| Glue - - - - - - - - - *lbs.* | - - - | - - - | - - - | 1,201 | 135 |
| Cigars - - - - - - - - - „ | - - - | - - - | - - - | 3,643 | 3,480 |
| Manilla, sun, and other hemps of India - *cwt.* | - - - | - - - | - - - | 13,467 | 46,220 |
| Jute, visal grass, coir, &c. used as hemp for cordage - - - - - - - - - *cwt.* | - - - | - - - | - - - | 7,078 | 29,477 |
| Bottles - - - - - - - - *gross* | - - - | - - - | - - - | 1 | 5 |
| Gloves - - - - - - - - *doz.* | - - - | - - - | - - - | 10 | 75 |
| Paper, writing - - - - - - *lbs.* | - - - | - - - | - - - | 7 | 10 |
| Ditto, all other sorts - - - - - „ | - - - | - - - | - - - | 5,361 | 590 |
| Books, printed in Hebrew - - - - „ | - - - | - - - | - - - | 20 | 15 |
| Ditto, in other languages - - - - „ | - - - | - - - | - - - | 31 | 42 |
| Ditto, in pamphlets and sheets - - - „ | - - - | - - - | - - - | 32 | 16 |
| Value of articles not enumerated - - - „ | - - - | - - - | - - - | - - - | 77 |
| | — | 5,050,313 | 760,546 | - - - | 783,022 |
| | | | 6,593,881 | | |

EXPORTS from the United States to *China*, from 1st July 1845 to 30th June 1846.

| ARTICLES. | Quantity. | Value. | ARTICLES. | Quantity. | Value. |
|---|---|---|---|---|---|
| | | *Dollars.* | | | *Dollars.* |
| Pickled fish - - - *brls.* | 50 | 390 | Copper and brass, and copper manufactured - - - - - - | - - | 384 |
| Spermaceti candles - - *lbs.* | 1,112 | 414 | Medicinal drugs - - - - - | - - | 289 |
| 420,000 feet of boards, plank and scantling - - - *feet* | 420,000 | 10,457 | Cotton piece goods (printed and coloured) - - - - - | - - | 1,135 |
| Masts and spars - - - „ | - - | 3,408 | Ditto - - - (white) - | - - | 656,298 |
| All manufactures of wood - - | - - | 1,380 | Ditto - - - (nankeen) | - - | 84,030 |
| Tar and pitch - - - *brls.* | 51 | 62 | Twist, yarn, and other thread - | - - | 55,620 |
| Skins and furs - - - „ | - - | 42,667 | All other manufactures of cotton - | - - | 16,523 |
| Ginseng - - - - *lbs.* | 566,607 | 237,286 | Bags and all manufactures of flax - | - - | 483 |
| Barrels of beef - - - *brls.* | 504 | 4,666 | Wearing apparel - - - - | - - | 35 |
| Barrels of pork - - - „ | 444 | 4,203 | Brushes - - - - - | - - | 59 |
| Butter - - - - *lbs.* | 9,139 | 2,504 | Printing presses and type - - | - - | 156 |
| Cheese - - - - „ | 12,237 | | Musical instruments - - - | - - | 375 |
| Flour - - - - - *brls.* | 911 | 5,048 | Books and maps - - - - | - - | 1,280 |
| Biscuit or ship bread - - „ | 390 | 919 | Paper and stationery - - - | - - | 2,525 |
| Apples - - - - - „ | 8 | 24 | Paints and varnish - - - | - - | 392 |
| Cotton - - - - *lbs.* | 85,760 | 5,655 | Manufactures of marble and stone - | - - | 420 |
| Household furniture - - - | - - | 1,173 | Gold and silver coin - - - | - - | 4,700 |
| Beer, porter, ale and cider - *doz.* | 5 | 10 | Manufactured articles (not enumerated) - - - - - - | - - | 2,746 |
| Boots - - - - - *pair* | 150 | 200 | Other articles (not enumerated) - | - - | 8,920 |
| Tallow candles - - - *lbs.* | 6,250 | 1,208 | | | |
| Soap - - - - - - „ | 5,930 | | | | |
| Tobacco (manufactured) - „ | 18,047 | 1,649 | | | |
| Lead - - - - - - „ | 378,753 | 15,033 | | | |
| All manufactures of iron, or of iron and steel - - - - | - - | 2,722 | TOTAL Value - - - | - - | 1,178,188 |
| Spirits from molasses - - *gals.* | 1,600 | 480 | | | |

# Appendix, No. 8.

## EXPORTS TO CHINA.

PAPERS referred to in Mr. *Prideaux*'s Evidence, 3 June 1847.

STATEMENT of the EXPORT TRADE to *China*, from the Presidencies of *Bengal, Fort St. George*, and *Bombay*; the two former from 1833–34 to 1844–45, and the latter from 1833–34 to 1845–46 inclusive.

| ARTICLES. | YEARS. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Cotton | 1833–34 | 20,746 | 609 | 21,355 | 67,176 | - - | 67,176 | 86,95,321 | 12,375 | 87,07,696 | 87,83,243 | 12,984 | 87,96,227 |
| | 1834–35 | 27,37,431 | 22,651 | 27,60,082 | 1,92,391 | - - | 1,92,391 | 44,62,842 | 76,280 | 45,39,122 | 73,92,664 | 98,931 | 74,91,595 |
| | 1835–36 | 44,53,461 | 40,789 | 44,94,250 | 14,94,900 | - - | 14,94,900 | 75,10,322 | 75,319 | 75,85,641 | 1,34,58,683 | 1,16,108 | 1,35,74,791 |
| | 1836–37 | 35,12,378 | 21,315 | 35,33,693 | 23,55,737 | - - | 23,55,737 | 70,11,729 | 1,03,817 | 71,15,546 | 1,28,79,844 | 1,25,132 | 1,30,04,976 |
| | 1837–38 | 17,51,981 | 15,948 | 17,67,929 | 4,82,358 | - - | 4,82,358 | 80,25,130 | 1,67,900 | 81,93,030 | 1,02,59,469 | 1,83,848 | 1,04,43,317 |
| | 1838–39 | 21,37,553 | 13,555 | 21,51,108 | 11,26,402 | - - | 11,26,402 | 92,71,593 | 57,819 | 93,29,412 | 1,25,35,548 | 71,374 | 1,26,06,922 |
| | 1839–40 | 14,34,414 | 1,40,609 | 15,75,023 | 5,26,785 | - - | 5,26,785 | 50,06,830 | 4,23,428 | 54,30,258 | 69,68,029 | 5,64,037 | 75,32,066 |
| | 1840–41 | 17,11,965 | 2,40,499 | 19,52,464 | 4,86,557 | 6,19,383 | 11,05,940 | 48,77,869 | 18,96,332 | 67,74,201 | 70,76,391 | 27,56,214 | 98,32,605 |
| | 1841–42 | 8,66,123 | 2,87,540 | 11,53,663 | 11,15,814 | - - | 11,15,814 | 63,08,196 | 9,65,066 | 72,73,262 | 82,90,133 | 12,52,606 | 95,42,739 |
| | 1842–43 | 15,03,374 | 2,04,095 | 17,07,469 | 27,83,486 | - - | 27,83,486 | 94,89,441 | 5,38,404 | 1,00,27,845 | 1,37,76,301 | 7,42,499 | 1,45,18,800 |
| | 1843–44 | 19,55,981 | 43,750 | 19,99,731 | 16,84,455 | - - | 16,84,455 | 91,51,208 | 1,20,242 | 92,71,450 | 1,27,91,644 | 1,63,992 | 1,29,55,636 |
| | 1844–45 | 19,93,556 | 11,612 | 20,05,168 | 25,14,395 | - - | 25,14,395 | 73,06,644 | 2,72,183 | 75,78,827 | 1,18,14,595 | 2,83,795 | 1,20,98,390 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 63,86,503 | 1,82,501 | 65,69,004 | 63,86,503 | 1,82,501 | 65,69,004 |
| | TOTAL | 2,40,78,963 | 10,42,972 | 2,51,21,935 | 1,48,30,456 | 6,19,383 | 1,54,49,839 | 9,35,03,628 | 48,91,666 | 9,83,95,294 | 13,24,13,047 | 65,54,021 | 13,89,67,068 |
| Grain | 1833–34 | 1,43,388 | 1,16,462 | 2,59,850 | 1,050 | - - | 1,050 | - - - | 5,215 | 5,215 | 1,44,438 | 1,21,677 | 2,66,115 |
| | 1834–35 | 4,71,423 | 1,61,172 | 6,32,595 | 658 | 173 | 831 | - - - | 10,200 | 10,200 | 4,72,081 | 1,71,545 | 6,43,626 |
| | 1835–36 | 2,44,725 | 54,546 | 2,99,271 | 32,288 | 97 | 32,385 | - - - | 16,326 | 16,326 | 2,77,013 | 70,969 | 3,47,982 |
| | 1836–37 | 55,932 | 32,387 | 88,319 | 4,740 | - - | 4,740 | - - - | 3,018 | 3,018 | 60,672 | 35,405 | 96,077 |
| | 1837–38 | 40,327 | 80,723 | 1,21,050 | 168 | - - | 168 | 1,125 | 5,937 | 7,062 | 41,620 | 86,660 | 1,28,280 |
| | 1838–39 | 37,802 | 63,941 | 1,01,743 | 2,318 | - - | 2,318 | - - - | - - - | - - - | 40,120 | 63,941 | 1,04,061 |
| | 1839–40 | 17,849 | 1,30,012 | 1,47,861 | 600 | - - | 600 | - - - | 11,728 | 11,728 | 18,449 | 1,41,740 | 1,60,189 |
| | 1840–41 | 24,607 | 2,17,198 | 2,41,805 | 1,036 | - - | 1,036 | - - - | 23,335 | 23,335 | 25,643 | 2,40,533 | 2,66,176 |
| | 1841–42 | 1,00,001 | 53,669 | 1,53,670 | 184 | - - | 184 | - - - | 2,647 | 2,647 | 1,00,185 | 56,316 | 1,56,501 |
| | 1842–43 | 94,383 | 83,750 | 1,78,133 | - - | - - | - - - | 1,000 | 1,950 | 2,950 | 95,383 | 85,700 | 1,81,083 |
| | 1843–44 | 23,341 | 83,642 | 1,06,983 | 13 | - - | 13 | 20 | 2,369 | 2,389 | 23,374 | 86,011 | 1,09,385 |
| | 1844–45 | 1,49,735 | 85,422 | 2,35,157 | 18,399 | - - | 18,399 | 8,735 | 4,520 | 13,255 | 1,76,869 | 89,942 | 2,66,811 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | - - - | 3,720 | 3,720 | - - - | 3,720 | 3,720 |
| | TOTAL | 14,03,513 | 11,62,924 | 25,66,437 | 61,454 | 270 | 61,724 | 10,880 | 90,965 | 1,01,845 | 14,75,847 | 12,54,159 | 27,30,006 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gunnies and Gunny Bags. | 1833-34 | 270 | 33,211 | 33,481 | - - | - - | - - - | - - - | - - - | - - - | 270 | 33,211 | 33,481 |
| | 1834-35 | 4,441 | 1,01,966 | 1,06,407 | - - | - - | - - - | - - - | 1,065 | 1,065 | 4,441 | 103,031 | 1,07,472 |
| | 1835-36 | - - - | 14,596 | 14,596 | 150 | - - | 150 | - - - | 950 | 950 | 150 | 15,546 | 15,696 |
| | 1836-37 | 2,563 | 34,227 | 36,790 | 7 | - - | 7 | - - - | - - - | - - - | 2,570 | 34,227 | 36,797 |
| | 1837-38 | 2,005 | 61,624 | 63,629 | - - | - - | - - - | - - - | 694 | 694 | 2,005 | 62,318 | 64,323 |
| | 1838-39 | 5,351 | 39,128 | 44,479 | - - | - - | - - - | - - - | 470 | 470 | 5,351 | 39,598 | 44,949 |
| | 1839-40 | 198 | 59,982 | 60,180 | - - | - - | - - - | - - - | 260 | 260 | 198 | 60,242 | 60,440 |
| | 1840-41 | - - - | 84,560 | 84,560 | - - | - - | - - - | - - - | 4,042 | 4,042 | - - - | 88,602 | 88,602 |
| | 1841-42 | 319 | 75,148 | 75,467 | - - | - - | - - - | - - - | 55 | 55 | 319 | 75,203 | 75,522 |
| | 1842-43 | 2,200 | 63,641 | 65,841 | - - | - - | - - - | - - - | 12 | 12 | 2,200 | 63,653 | 65,853 |
| | 1843-44 | 4,325 | 73,742 | 78,067 | - - | - - | - - - | - - - | 300 | 300 | 4,325 | 74,042 | 78,367 |
| | 1844-45 | - - - | 88,832 | 88,832 | - - | - - | - - - | - - - | 300 | 300 | - - - | 89,132 | 89,132 |
| | 1845-46 | - - - | - - - | - - - | - - | - - | - - - | - - - | 120 | 320 | - - - | 120 | 120 |
| TOTAL - - - | | 21,672 | 7,30,657 | 7,52,329 | 157 | - - | 157 | - - - | 8,268 | 8,268 | 21,829 | 7,38,925 | 7,60,754 |
| Opium (Behar) | 1833-34 | 79,31,003 | 2,60,766 | 81,91,769 | - - | - - | - - - | - - - | - - - | - - - | 79,31,003 | 2,60,766 | 81,91,769 |
| | 1834-35 | 74,08,143 | 2,78,074 | 76,86,217 | - - | - - | - - - | - - - | - - - | - - - | 74,08,143 | 2,78,074 | 76,86,217 |
| | 1835-36 | 1,15,54,134 | 1,46,875 | 1,17,01,009 | - - | - - | - - - | - - - | - - - | - - - | 1,15,54,134 | 1,46,875 | 1,17,01,009 |
| | 1836-37 | 1,21,93,493 | 74,170 | 1,22,67,663 | - - | - - | - - - | - - - | - - - | - - - | 1,21,93,493 | 74,170 | 1,22,67,663 |
| | 1837-38 | 1,35,37,460 | 91,000 | 1,36,28,460 | - - | - - | - - - | - - - | - - - | - - - | 1,35,37,460 | 91,000 | 1,36,28,460 |
| | 1838-39 | 95,66,528 | 1,74,440 | 97,40,968 | - - | - - | - - - | - - - | - - - | - - - | 95,66,528 | 1,74,440 | 97,40,968 |
| | 1839-40 | 15,92,577 | 33,02,559 | 48,95,136 | - - | - - | - - - | - - - | - - - | - - - | 15,92,577 | 33,02,559 | 48,95,136 |
| | 1840-41 | 33,32,524 | 40,59,233 | 73,91,757 | - - | - - | - - - | - - - | - - - | - - - | 33,32,524 | 40,59,233 | 73,91,757 |
| | 1841-42 | 68,68,100 | 34,69,895 | 1,03,37,995 | - - | - - | - - - | - - - | - - - | - - - | 68,68,100 | 34,69,895 | 1,03,37,995 |
| | 1842-43 | 97,05,717 | 20,09,947 | 1,17,15,664 | - - | - - | - - - | - - - | - - - | - - - | 97,05,717 | 20,09,947 | 1,17,15,664 |
| | 1843-44 | 1,38,04,131 | 16,31,606 | 1,54,35,737 | - - | - - | - - - | - - - | - - - | - - - | 1,38,04,131 | 16,31,606 | 1,54,35,737 |
| | 1844-45 | 1,54,63,558 | 12,38,618 | 1,67,02,176 | - - | - - | - - - | - - - | - - - | - - - | 1,54,63,558 | 12,38,618 | 1,67,02,176 |
| | 1845-46 | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL - - - | | 11,29,57,368 | 1,67,37,183 | 12,96,94,551 | - - | - - | - - - | - - - | - - - | - - - | 11,29,57,368 | 1,67,37,183 | 12,96,94,551 |
| Opium (Benares). | 1833-34 | 26,03,977 | 14,16,444 | 40,20,421 | - - | - - | - - - | - - - | - - - | - - - | 26,03,977 | 14,16,444 | 40,20,421 |
| | 1834-35 | 19,05,371 | 12,07,578 | 31,12,949 | - - | - - | - - - | - - - | - - - | - - - | 19,05,371 | 12,07,578 | 31,12,949 |
| | 1835-36 | 37,07,355 | 16,90,076 | 53,97,431 | - - | - - | - - - | - - - | - - - | - - - | 37,07,355 | 16,90,076 | 53,97,431 |
| | 1836-37 | 31,17,923 | 27,60,918 | 58,78,841 | - - | - - | - - - | - - - | - - - | - - - | 31,17,923 | 27,60,918 | 58,78,841 |
| | 1837-38 | 45,27,817 | 28,06,435 | 73,34,252 | - - | - - | - - - | - - - | - - - | - - - | 45,27,817 | 28,06,435 | 73,34,252 |
| | 1838-39 | 24,97,390 | 21,91,805 | 46,89,195 | - - | - - | - - - | - - - | - - - | - - - | 24,97,390 | 21,91,805 | 46,89,195 |
| | 1839-40 | 1,28,645 | 22,49,713 | 23,78,358 | - - | - - | - - - | - - - | - - - | - - - | 1,28,645 | 22,49,713 | 23,78,358 |
| | 1840-41 | 6,09,500 | 32,53,130 | 38,62,630 | - - | - - | - - - | - - - | - - - | - - - | 6,09,500 | 32,53,130 | 38,62,630 |
| | 1841-42 | 12,03,697 | 27,98,844 | 40,02,541 | - - | - - | - - - | - - - | - - - | - - - | 12,03,697 | 27,98,844 | 40,02,541 |
| | 1842-43 | 23,38,801 | 27,30,902 | 50,69,703 | - - | - - | - - - | - - - | - - - | - - - | 23,38,801 | 27,30,902 | 50,69,703 |
| | 1843-44 | 36,23,305 | 43,05,395 | 79,28,700 | - - | - - | - - - | - - - | - - - | - - - | 36,23,305 | 43,05,395 | 79,28,700 |
| | 1844-45 | 37,85,872 | 36,08,979 | 73,94,851 | - - | - - | - - - | - - - | - - - | - - - | 37,85,872 | 36,08,979 | 73,94,851 |
| | 1845-46 | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL - - - | | 3,00,49,653 | 3,10,20,219 | 6,10,69,872 | - - | - - | - - - | - - - | - - - | - - - | 3,00,49,653 | 3,10,20,219 | 6,10,69,872 |

(continued)

STATEMENT of the EXPORT TRADE to *China*, from the Presidencies of *Bengal, Fort St. George*, and *Bombay*—continued.

| ARTICLES. | YEARS. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Opium (Malwa) | 1833–34 | - - - | - - - | - - - | - - | - - | - - - | 1,21,85,818 | 85,650 | 1,22,71,468 | 1,21,85,818 | 85,650 | 1,22,71,468 |
| | 1834–35 | - - - | - - - | - - - | - - | - - | - - - | 97,82,015 | 1,53,950 | 99,35,965 | 97,82,015 | 1,53,950 | 99,35,965 |
| | 1835–36 | - - - | - - - | - - - | - - | - - | - - - | 1,33,98,761 | 2,14,480 | 1,36,13,241 | 1,33,98,761 | 2,14,480 | 1,36,13,241 |
| | 1836–37 | - - - | - - - | - - - | - - | - - | - - - | 2,40,33,171 | 2,16,650 | 2,42,49,821 | 2,40,33,171 | 2,16,650 | 2,42,49,821 |
| | 1837–38 | - - - | - - - | - - - | - - | - - | - - - | 1,09,77,565 | 2,63,200 | 1,12,40,765 | 1,09,77,565 | 2,63,200 | 1,12,40,765 |
| | 1838–39 | - - - | - - - | - - - | - - | - - | - - - | 1,58,47,400 | 1,41,800 | 1,59,89,200 | 1,58,47,400 | 1,41,800 | 1,59,89,200 |
| | 1839–40 | - - - | - - - | - - - | - - | - - | - - - | 1,93,000 | 30,78,150 | 32,71,150 | 1,93,000 | 30,78,150 | 32,71,150 |
| | 1840–41 | - - - | - - - | - - - | - - | - - | - - - | 87,36,847 | 26,80,927 | 1,14,17,774 | 87,36,847 | 26,80,927 | 1,14,17,774 |
| | 1841–42 | - - - | - - - | - - - | - - | - - | - - - | 1,03,22,215 | 9,53,340 | 1,12,75,555 | 1,03,22,215 | 9,53,340 | 1,12,75,555 |
| | 1842–43 | - - - | - - - | - - - | - - | - - | - - - | 1,61,59,002 | 3,51,535 | 1,65,10,537 | 1,61,59,002 | 3,51,535 | 1,65,10,537 |
| | 1843–44 | - - - | - - - | - - - | - - | - - | - - - | 2,48,67,985 | 2,02,865 | 2,50,70,850 | 2,48,67,985 | 2,02,865 | 2,50,70,850 |
| | 1844–45 | - - - | - - - | - - - | - - | - - | - - - | 2,20,86,484 | 3,12,145 | 2,23,98,629 | 2,20,86,484 | 3,12,145 | 2,23,98,629 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 3,29,27,930 | 2,51,740 | 3,31,79,670 | 3,29,27,930 | 2,51,740 | 3,31,79,670 |
| TOTAL | | - - - | - - - | - - - | - - | - - | - - - | 20,15,18,193 | 89,06,432 | 21,04,24,625 | 20,15,18,193 | 89,06,432 | 21,04,24,625 |
| Piece Goods | 1833–34 | 1,589 | 3,73,447 | 3,75,036 | 531 | - - | 531 | 33,568 | 2,95,610 | 3,29,178 | 35,688 | 6,69,057 | 7,04,745 |
| | 1834–35 | 18,709 | 4,31,894 | 4,50,603 | 2,900 | 17,451 | 20,351 | 22,550 | 4,12,263 | 4,34,813 | 44,159 | 8,61,608 | 9,05,767 |
| | 1835–36 | 15,885 | 2,89,962 | 3,05,847 | 17,626 | 28,552 | 46,178 | 5,260 | 2,96,888 | 3,02,148 | 38,771 | 6,15,402 | 6,54,173 |
| | 1836–37 | 5,512 | 2,48,746 | 2,54,258 | 1,146 | 31,787 | 32,933 | 8,875 | 2,57,125 | 2,66,000 | 15,533 | 5,37,658 | 5,53,191 |
| | 1837–38 | 6,220 | 3,02,830 | 3,09,050 | 10,306 | 12,017 | 22,323 | 10,971 | 2,49,336 | 2,60,307 | 27,497 | 5,64,183 | 5,91,680 |
| | 1838–39 | 25,506 | 1,59,436 | 1,84,942 | 1,443 | 23,269 | 24,712 | 18,545 | 4,53,345 | 4,71,890 | 85,494 | 6,36,050 | 6,81,544 |
| | 1839–40 | 1,212 | 2,28,406 | 2,29,618 | 462 | 25,724 | 26,186 | 11,500 | 3,66,539 | 3,78,039 | 13,174 | 6,20,669 | 6,33,843 |
| | 1840–41 | 5,594 | 2,79,357 | 2,84,951 | 115 | 39,296 | 39,411 | 6,848 | 6,39,198 | 6,46,046 | 12,557 | 9,57,851 | 9,70,408 |
| | 1841–42 | 8,008 | 67,539 | 75,547 | 455 | 28,210 | 28,665 | 24,782 | 3,62,857 | 3,87,639 | 32,245 | 4,58,606 | 4,91,851 |
| | 1842–43 | 5,403 | 33,039 | 38,442 | 6,302 | 9,816 | 16,118 | 50,683 | 3,30,742 | 3,81,425 | 62,388 | 3,73,597 | 4,35,985 |
| | 1843–44 | 3,196 | 56,560 | 59,756 | 3,540 | 3,256 | 6,796 | 53,343 | 4,22,085 | 4,75,428 | 60,079 | 4,81,901 | 5,41,980 |
| | 1844–45 | 1,281 | 1,13,031 | 1,14,312 | 776 | - - | 776 | 59,486 | 6,19,689 | 6,79,175 | 61,543 | 7,32,720 | 7,94,263 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 43,708 | 3,84,712 | 4,28,420 | 43,708 | 3,84,712 | 4,28,420 |
| TOTAL | | 98,115 | 25,84,247 | 26,82,362 | 45,602 | 2,19,378 | 2,64,980 | 3,50,119 | 50,90,389 | 54,40,508 | 4,93,836 | 78,94,014 | 83,87,850 |
| Precious Stones | 1833–34 | - - - | - - - | - - - | 2,30,708 | - - | 2,30,708 | 5,76,070 | 300 | 5,76,370 | 8,06,778 | 300 | 8,07,078 |
| | 1834–35 | - - - | - - - | - - - | 1,29,600 | - - | 1,29,600 | 8,27,531 | - - - | 8,27,531 | 9,57,131 | - - - | 9,57,131 |
| | 1835–36 | - - - | - - - | - - - | 54,325 | - - | 54,325 | 7,71,440 | 4,785 | 7,76,225 | 8,25,765 | 4,785 | 8,30,550 |
| | 1836–37 | - - - | - - - | - - - | 1,87,050 | - - | 1,87,050 | 7,66,340 | - - - | 7,66,340 | 9,53,390 | - - - | 9,53,390 |
| | 1837–38 | - - - | - - - | - - - | 48,800 | - - | 48,800 | 5,56,172 | 2,125 | 5,58,297 | 6,04,972 | 2,125 | 6,07,097 |
| | 1838–39 | - - - | - - - | - - - | 6,800 | - - | 6,800 | 7,77,607 | 300 | 7,77,907 | 7,84,407 | 300 | 7,84,707 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Precious Stones—(*continued.*) | 1839–40 | - - - | - - - | - - - | - - | - - | - - - | 5,58,523 | 5,100 | 5,63,623 | 5,58,523 | 5,100 | 5,63,623 |
| | 1840–41 | - - - | - - - | - - - | 4,000 | - - | 4,000 | 2,39,596 | 4,430 | 2,44,026 | 2,43,596 | 4,430 | 2,48,026 |
| | 1841–42 | - - - | - - - | - - - | - - | - - | - - - | 3,34,994 | 5,437 | 3,40,431 | 3,34,994 | 5,437 | 3,40,431 |
| | 1842–43 | - - - | - - - | - - - | - - | - - | - - - | 5,26,307 | 200 | 5,26,507 | 5,26,307 | 200 | 5,26,507 |
| | 1843–44 | - - - | - - - | - - - | - - | - - | - - - | 6,82,891 | 4,658 | 6,87,549 | 6,82,891 | 4,658 | 6,87,549 |
| | 1844–45 | - - - | - - - | - - - | - - | - - | - - - | 7,79,723 | 5,352 | 7,85,075 | 7,79,723 | 5,352 | 7,85,075 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 2,67,027 | 7,145 | 2,74,172 | 2,67,027 | 7,145 | 2,74,172 |
| TOTAL - - - | | - - - | - - - | - - - | 6,61,283 | - - | 6,61,283 | 76,64,221 | 39,832 | 77,04,053 | 83,25,504 | 39,832 | 83,65,336 |
| Putchuk - | 1833–34 | 30,103 | 2,860 | 32,963 | - - | - - | - - - | - - - | - - - | - - - | 30,103 | 2,860 | 32,963 |
| | 1834–35 | 41,097 | 2,207 | 43,304 | - - | - - | - - - | - - - | - - - | - - - | 41,097 | 2,207 | 43,304 |
| | 1835–36 | 23,304 | 840 | 24,144 | - - | - - | - - - | - - - | - - - | - - - | 23,304 | 840 | 24,144 |
| | 1836–37 | 9,501 | - - - | 9,501 | - - | - - | - - - | - - - | - - - | - - - | 9,501 | - - - | 9,501 |
| | 1837–38 | 62,510 | 7,854 | 70,364 | - | - - | - - - | - - - | - - - | - - - | 62,510 | 7,854 | 70,364 |
| | 1838–39 | 47,474 | 5,291 | 52,765 | - - | - - | - - - | - - - | - - - | - - - | 47,474 | 5,291 | 52,765 |
| | 1839–40 | 67,865 | 8,539 | 76,404 | - - | - - | - - - | - - - | - - - | - - - | 67,865 | 8,539 | 76,404 |
| | 1840–41 | 1,24,999 | 54,916 | 1,79,915 | - - | - - | - - - | - - - | - - - | - - - | 1,24,999 | 54,916 | 1,79,915 |
| | 1841–42 | 1,19,756 | 19,811 | 1,39,567 | - - | - - | - - - | - - - | - - - | - - - | 1,19,756 | 19,811 | 1,39,567 |
| | 1842–43 | 60,454 | 14,745 | 75,199 | - - | - - | - - - | - - - | - - - | - - - | 60,454 | 14,745 | 75,199 |
| | 1843–44 | 80,067 | 2,849 | 82,916 | - - | - - | - - - | - - - | - - - | - - - | 80,067 | 2,849 | 82,916 |
| | 1844–45 | 59,401 | 1,778 | 61,179 | - - | - - | - - - | - - - | - - - | - - - | 59,401 | 1,778 | 61,179 |
| | 1845–46 | — | — | — | — | — | | — | — | — | — | — | — |
| TOTAL - - - | | 7,26,531 | 1,21,690 | 8,48,221 | - - | - - | - - - | - - - | - - - | - - - | 7,26,531 | 1,21,690 | 8,48,221 |
| Saltpetre - | 1833–34 | 41,408 | 34,975 | 76,383 | - - | - - | - - - | 11,14 | - - - | 11,145 | 52,553 | 34,975 | 87,528 |
| | 1834–35 | 35,190 | 35,860 | 71,050 | - - | - - | - - - | - - - | 4,875 | 4,875 | 35,190 | 40,735 | 75,925 |
| | 1835–36 | 26,206 | 18,936 | 45,142 | - - | - - | - - - | 2,200 | - - - | 2,200 | 28,406 | 18,936 | 47,342 |
| | 1836–37 | 1,15,171 | 28,143 | 1,43,314 | 541 | - - | 541 | 2,200 | 4,050 | 6,250 | 1,17,912 | 32,193 | 1,50,105 |
| | 1837–38 | 1,17,277 | 42,468 | 1,59,745 | - - | - - | - - - | 6,415 | - - - | 6,415 | 1,23,692 | 42,468 | 1,66,160 |
| | 1838–39 | 75,564 | 11,618 | 87,182 | - - | - - | - - - | - - - | - - - | - - - | 75,564 | 11,618 | 87,182 |
| | 1839–40 | 17,283 | 5,077 | 22,360 | - - | - - | - - - | - - - | - - - | - - - | 17,283 | 5,077 | 22,360 |
| | 1840–41 | 76,411 | 23,013 | 99,424 | - - | - - | - - - | - - - | - - - | - - - | 76,411 | 23,013 | 99,424 |
| | 1841–42 | 1,22,167 | 37,449 | 1,59,616 | - - | - - | - - - | - - - | - - - | - - - | 1,22,167 | 37,449 | 1,59,616 |
| | 1842–43 | 22,627 | 35,223 | 57,850 | - - | - - | - - - | - - - | - - - | - - - | 22,627 | 35,223 | 57,850 |
| | 1843–44 | 1,63,163 | 52,197 | 2,15,360 | - - | - - | - - - | - - - | - - - | - - - | 1,63,163 | 32,197 | 2,15,360 |
| | 1844–45 | 1,75,016 | 36,355 | 2,11,371 | 42 | - - | 42 | 2,136 | - - - | 2,136 | 1,77,194 | 36,355 | 2,13,549 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 1,672 | - - - | 1,672 | 1,672 | - - - | 1,672 |
| TOTAL - - - | | 9,87,483 | 3,61,314 | 13,48,797 | 583 | - - | 583 | 25,768 | 8,925 | 34,693 | 10,13,834 | 3,70,239 | 13,84,073 |

(*continued*)

STATEMENT of the EXPORT TRADE to *China*, from the Presidencies of *Bengal*, *Fort St. George*, and *Bombay*—continued.

| ARTICLES. | YEARS. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Shark Fins, & Fish Maws | 1833–34 | - - - | - - - | - - - | - - | - - | - - - | 3,88,713 | 1,685 | 3,90,398 | 3,88,713 | 1,685 | 3,90,398 |
| | 1834–35 | - - - | - - - | - - - | - - | - - | - - - | 3,41,313 | - - - | 3,41,313 | 3,41,313 | - - - | 3,41,313 |
| | 1835–36 | - - - | - - - | - - - | - - | - - | - - - | 2,96,898 | - - - | 2,96,898 | 2,96,898 | - - - | 2,96,898 |
| | 1836–37 | - - - | - - - | - - - | - - | - - | - - - | 3,92,076 | - - - | 3,92,076 | 3,92,076 | - - - | 3,92,076 |
| | 1837–38 | - - - | - - - | - - - | - - | - - | - - - | 2,54,645 | - - - | 2,54,645 | 2,54,645 | - - - | 2,54,645 |
| | 1838–39 | - - - | - - - | - - - | - - | - - | - - - | 3,69,041 | - - - | 3,69,041 | 3,69,041 | - - - | 3,69,041 |
| | 1839–40 | - - - | - - - | - - - | - - | - - | - - - | 2,59,222 | 23,161 | 2,82,383 | 2,59,222 | 23,161 | 2,82,383 |
| | 1840–41 | - - - | - - - | - - - | - - | - - | - - - | 3,88,446 | 12,529 | 4,00,975 | 3,88,446 | 12,529 | 4,00,975 |
| | 1841–42 | - - - | - - - | - - - | - - | - - | - - - | 3,45,568 | 6,002 | 3,51,570 | 3,45,568 | 6,002 | 3,51,570 |
| | 1842–43 | - - - | - - - | - - - | - - | - - | - - - | 2,78,418 | - - - | 2,78,814 | 2,78,418 | - - - | 2,78,418 |
| | 1843–44 | - - - | - - - | - - - | - - | - - | - - - | 3,90,456 | - - - | 3,90,456 | 3,90,456 | - - - | 3,90,456 |
| | 1844–45 | - - - | - - - | - - - | - - | - - | - - - | 3,32,967 | - - - | 3,32,967 | 3,32,967 | - - - | 3,32,967 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 2,69,731 | - - - | 2,69,731 | 2,69,731 | - - - | 2,69,731 |
| TOTAL - - - | | - - - | - - - | - - - | - - | - - | - - - | 43,07,494 | 43,377 | 43,50,871 | 43,07,494 | 43,377 | 43,50,871 |
| Wood, Timber and Planks | 1833–34 | - - - | - - - | - - - | 20,871 | - - | 20,871 | 34,096 | 150 | 34,246 | 54,967 | 150 | 55,117 |
| | 1834–35 | - - - | - - - | - - - | 65,203 | 20 | 65,223 | 62,483 | 1,750 | 64,233 | 1,27,686 | 1,770 | 1,29,456 |
| | 1835–36 | - - - | - - - | - - - | 1,02,178 | - - | 1,02,178 | 1,77,787 | - - - | 1,77,787 | 2,79,965 | - - - | 2,79,965 |
| | 1836–37 | - - - | - - - | - - - | 1,03,119 | - - | 1,03,119 | 1,54,692 | 1,000 | 1,55,692 | 2,57,811 | 1,000 | 2,58,811 |
| | 1837–38 | - - - | - - - | - - - | 18,997 | - - | 18,997 | 1,37,068 | 200 | 1,37,268 | 1,56,065 | 200 | 1,56,265 |
| | 1838–39 | - - - | - - - | - - - | 1,04,257 | - - | 1,04,257 | 2,51,113 | 7,875 | 2,58,988 | 3,55,370 | 7,875 | 3,63,245 |
| | 1839–40 | - - - | - - - | - - - | - - - | - - - | - - - | 86,077 | 348 | 86,425 | 86,077 | 348 | 86,425 |
| | 1840–41 | - - - | - - - | - - - | 65,057 | 63,424 | 1,28,481 | 2,66,014 | 47,192 | 3,13,206 | 3,31,071 | 1,10,616 | 4,41,687 |
| | 1841–42 | - - - | - - - | - - - | 38,272 | - - | 38,272 | 2,49,157 | 19,572 | 2,68,799 | 2,87,429 | 19,572 | 3,07,001 |
| | 1842–43 | - - - | - - - | - - - | 50,845 | - - | 50,845 | 2,61,021 | 40 | 2,61,061 | 3,11,866 | 40 | 3,11,906 |
| | 1843–44 | - - - | - - - | - - - | 33 | - - | 33 | 97,439 | - - - | 97,439 | 97,472 | - - - | 97,472 |
| | 1844–45 | - - - | - - - | - - - | 15 | - - | 15 | 1,06,829 | - - - | 1,06,829 | 1,06,844 | - - - | 1,06,844 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 1,33,379 | 240 | 1,33,619 | 1,33,379 | 240 | 1,33,619 |
| TOTAL - - - | | - - - | - - - | - - - | 5,68,847 | 63,444 | 6,32,291 | 20,17,155 | 78,367 | 20,95,522 | 25,86,002 | 1,41,811 | 27,27,813 |
| Sundries | 1833–34 | 8,834 | 38,256 | 47,090 | 23,778 | 1,534 | 25,312 | 1,34,187 | 91,582 | 2,25,769 | 1,66,799 | 1,31,372 | 2,98,171 |
| | 1834–35 | 48,882 | 59,149 | 1,08,031 | 14,091 | 4,400 | 18,491 | 1,09,817 | 1,77,575 | 2,87,392 | 1,72,790 | 2,41,124 | 4,13,914 |
| | 1835–36 | 80,844 | 37,453 | 1,18,297 | 20,877 | 1,420 | 22,297 | 2,94,078 | 1,64,201 | 4,58,279 | 3,95,799 | 2,03,074 | 5,98,873 |
| | 1836–37 | 41,270 | 57,583 | 98,853 | 48,293 | 1,336 | 49,629 | 2,97,164 | 99,326 | 3,96,490 | 3,86,727 | 1,58,245 | 5,44,972 |
| | 1837–38 | 1,64,018 | 86,920 | 2,50,938 | 24,536 | 639 | 25,175 | 1,88,367 | 1,00,535 | 2,88,911 | 3,76,930 | 1,88,094 | 5,65,024 |
| | 1838–39 | 1,44,841 | 57,073 | 2,01,914 | 20,859 | 315 | 21,174 | 1,32,735 | 71,841 | 2,04,576 | 2,98,435 | 1,29,229 | 4,27,664 |
| | 1839–40 | 16,514 | 79,364 | 95,878 | 2,533 | 1,137 | 3,670 | 96,453 | 99,284 | 1,95,737 | 1,15,500 | 1,79,785 | 2,95,285 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sundries (*continued.*) | 1840–41 | 3,87,467 | 2,66,452 | 6,53,919 | 55,032 | 6,054 | 61,086 | 1,10,977 | 1,56,651 | 2,67,628 | 5,53,476 | 4,29,157 | 9,82,633 |
| | 1841–42 | 2,45,395 | 89,782 | 3,35,177 | 46,179 | 3 | 46,182 | 2,00,110 | 84,177 | 2,84,287 | 4,91,684 | 1,73,692 | 6,65,646 |
| | 1842–43 | 49,964 | 2,58,014 | 3,07,978 | 36,005 | 169 | 36,174 | 3,38,594 | 1,38,828 | 4,77,422 | 4,24,563 | 3,97,011 | 8,21,574 |
| | 1843–44 | 34,864 | 39,593 | 74,457 | 1,32,083 | - - | 1,32,083 | 3,32,330 | 1,46,413 | 4,78,743 | 4,99,277 | 1,86,006 | 6,85,283 |
| | 1844–45 | 12,338 | 28,563 | 40,901 | 1,13,334 | - - | 1,13,334 | 2,93,299 | 1,74,156 | 4,67,455 | 4,18,971 | 2,02,719 | 6,21,690 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 2,67,870 | 2,06,633 | 4,74,503 | 2,67,870 | 2,06,633 | 4,74,503 |
| TOTAL - - - | | 12,35,231 | 10,98,202 | 23,33,433 | 5,37,600 | 17,007 | 5,54,607 | 27,95,990 | 17,11,202 | 45,07,192 | 45,68,821 | 28,26,411 | 73,95,232 |
| TOTALS - - | 1833–34 | 1,07,81,318 | 22,77,030 | 1,30,58,348 | 3,44,114 | 1,534 | 3,45,648 | 2,20,58,918 | 4,92,567 | 2,25,51,485 | 3,31,84,350 | 27,71,131 | 3,59,55,481 |
| | 1834–35 | 1,26,70,687 | 23,00,551 | 1,49,71,238 | 4,04,843 | 22,044 | 4,26,887 | 1,56,08,551 | 8,37,958 | 1,64,46,509 | 2,86,84,081 | 31,60,553 | 3,18,44,634 |
| | 1835–36 | 2,01,05,914 | 22,94,073 | 2,23,99,987 | 17,22,344 | 30,069 | 17,52,413 | 2,24,56,746 | 7,72,949 | 2,32,29,695 | 4,42,85,004 | 30,97,091 | 4,73,82,095 |
| | 1836–37 | 1,90,53,743 | 32,57,489 | 2,23,11,232 | 27,00,633 | 33,123 | 27,33,756 | 3,26,66,247 | 6,84,986 | 3,33,51,233 | 5,44,20,623 | 39,75,598 | 5,83,96,221 |
| | 1837–38 | 2,02,09,615 | 34,95,802 | 2,37,05,417 | 5,85,165 | 12,656 | 5,97,821 | 2,01,57,467 | 7,89,927 | 2,09,47,394 | 4,09,52,247 | 42,98,385 | 4,52,50,632 |
| | 1838–39 | 1,45,38,009 | 27,16,287 | 1,72,54,296 | 12,62,079 | 23,584 | 12,85,663 | 2,66,68,034 | 7,33,450 | 2,74,01,484 | 4,24,68,122 | 34,73,321 | 4,59,41,443 |
| | 1839–40 | 32,76,557 | 62,04,261 | 94,80,818 | 5,30,380 | 26,861 | 5,57,241 | 62,11,605 | 40,07,998 | 1,02,19,603 | 1,00,18,542 | 1,02,39,120 | 2,02,57,662 |
| | 1840–41 | 62,73,067 | 84,78,358 | 1,47,51,425 | 6,11,797 | 7,28,157 | 13,39,954 | 1,46,26,597 | 54,64,636 | 2,00,91,233 | 2,15,11,461 | 1,46,71,151 | 3,61,82,612 |
| | 1841–42 | 95,33,566 | 68,99,677 | 1,64,33,243 | 12,00,904 | 28,213 | 12,29,117 | 1,77,85,022 | 23,99,153 | 2,01,84,175 | 2,85,19,492 | 93,27,043 | 3,78,46,535 |
| | 1842–43 | 1,37,82,923 | 54,33,356 | 1,92,16,279 | 28,76,638 | 9,985 | 28,86,623 | 2,71,04,466 | 13,61,711 | 2,84,66,177 | 4,37,64,027 | 68,05,052 | 5,05,69,079 |
| | 1843–44 | 1,96,92,373 | 62,80,334 | 2,59,81,707 | 18,20,124 | 3,256 | 18,23,380 | 3,55,75,672 | 8,98,932 | 9,64,74,604 | 5,70,88,169 | 71,91,522 | 6,42,79,691 |
| | 1844–45 | 2,16,40,757 | 52,13,190 | 2,68,53,947 | 26,46,961 | - - | 26,46,961 | 3,09,76,303 | 13,88,345 | 3,23,64,648 | 5,52,64,021 | 66,01,535 | 6,18,65,556 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 4,02,97,820 | 10,36,811 | 4,13,34,631 | 4,02,97,820 | 10,36,811 | 4,13,34,631 |
| TOTALS - - - | | 17,15,58,529 | 5,48,59,408 | 22,64,17,937 | 1,67,05,982 | 9,19,482 | 1,76,25,464 | 31,21,93,448 | 2,08,69,423 | 33,30,62,871 | 50,04,57,959 | 7,66,48,313 | 57,71,06,272 |

## ABSTRACT.

| ARTICLES. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Cotton - - - - | 2,40,78,963 | 10,42,972 | 2,51,21,935 | 1,48,30,456 | 6,19,383 | 1,54,49,839 | 9,35,03,628 | 48,91,666 | 9,83,95,294 | 13,24,13,047 | 65,54,021 | 13,89,67,068 |
| Grain - - - - | 14,03,513 | 11,62,924 | 25,66,437 | 61,454 | 270 | 61,724 | 10,880 | 90,965 | 1,01,845 | 14,75,847 | 12,54,159 | 27,30,006 |
| Gunnies and Gunny Bags | 21,672 | 7,30,657 | 7,52,329 | 157 | - - | 157 | - - - | 8,268 | 8,268 | 21,829 | 7,38,925 | 7,60,754 |
| Opium (Behar) - - | 11,29,57,368 | 1,67,37,183 | 12,96,94,551 | - - | - - | - - - | - - - | - - - | - - - | 11,29,57,368 | 1,67,37,183 | 12,96,94,551 |
| — (Benares) - - | 3,00,49,653 | 3,10,20,219 | 6,10,69,872 | - - | - - | - - - | - - - | - - - | - - - | 3,00,49,353 | 3,10,20,219 | 6,10,69,872 |
| — (Malwa) - - | - - - | - - - | - - - | - - | - - | - - - | 20,15,18,193 | 89,06,432 | 21,04,24,625 | 20,15,18,193 | 89,06,432 | 21,04,24,625 |
| Piece Goods - - - | 98,115 | 25,84,247 | 26,82,362 | 45,602 | 2,19,378 | 2,64,980 | 8,50,119 | 50,90,389 | 54,40,508 | 4,93,836 | 78,94,014 | 83,87,850 |
| Precious Stones - - | - - - | - - - | - - - | 6,61,283 | - - | 6,61,283 | 76,64,221 | 39,832 | 77,04,053 | 83,25,504 | 39,832 | 83,65,336 |
| Putchuk - - - | 7,26,531 | 1,21,690 | 8,48,221 | - - | - - | - - - | - - | - - - | - - - | 7,26,531 | 1,21,690 | 8,48,221 |
| Saltpetre - - - | 9,87,483 | 3,61,314 | 13,48,797 | 583 | - - | 583 | 25,768 | 8,925 | 34,693 | 10,13,834 | 3,70,239 | 13,84,073 |
| Shark Fins and Fish Maws | - - - | - - - | - - - | - - | - - | - - - | 43,07,494 | 43,377 | 43,50,871 | 43,07,494 | 43,377 | 43,50,871 |
| Wood, Timber, and Planks | - - - | - - - | - - - | 5,68,847 | 63,444 | 6,32,291 | 20,17,155 | 78,367 | 20,95,522 | 25,86,002 | 1,41,811 | 27,27,813 |
| Sundries - - - | 12,35,231 | 10,98,202 | 23,33,433 | 5,37,600 | 17,007 | 5,54,607 | 27,95,990 | 17,11,202 | 45,07,192 | 45,68,821 | 28,26,411 | 73,95,232 |
| TOTALS - - - | 17,15,58,529 | 5,48,59,408 | 22,64,17,937 | 1,67,05,982 | 9,19,482 | 1,75,25,464 | 31,21,93,448 | 2,08,69,423 | 33,30,62,871 | 50,04,57,959 | 7,66,48,313 | 57,71,06,272 |

# IMPORTS FROM CHINA.

STATEMENT of the IMPORT TRADE from *China*, at the Presidencies of *Bengal, Fort St. George*, and *Bombay*; the two former from 1833–34 to 1844–45, and the latter from 1833–34 to 1845–46 inclusive.

| ARTICLES. | YEARS. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Drugs and Medicines | 1833–34 | 1,02,766 | 88,736 | 1,91,502 | 471 | - - | 471 | 1,98,085 | 10,768 | 2,08,853 | 3,01,322 | 99,504 | 4,00,826 |
| | 1834–35 | 2,79,356 | 2,01,927 | 4,81,283 | 23,311 | - - | 23,311 | 1,28,393 | 12,916 | 1,41,309 | 4,31,060 | 2,14,843 | 6,45,903 |
| | 1835–36 | 1,64,781 | 1,76,770 | 3,41,551 | 10,387 | - - | 10,387 | 2,39,167 | 16,971 | 2,56,138 | 4,14,335 | 1,93,741 | 6,08,076 |
| | 1836–37 | 1,54,290 | 1,04,813 | 2,59,103 | 7,355 | - - | 7,355 | 77,345 | 997 | 78,342 | 2,38,990 | 1,05,810 | 3,44,800 |
| | 1837–38 | 2,20,625 | 1,73,508 | 3,94,133 | 2,506 | - - | 2,506 | 1,88,366 | 1,698 | 1,90,064 | 4,11,497 | 1,75,206 | 5,86,703 |
| | 1838–39 | 93,505 | 1,38,433 | 2,31,938 | 24,342 | - - | 23,342 | 1,68,903 | 14,265 | 1,83,168 | 2,86,750 | 1,52,698 | 4,39,448 |
| | 1839–40 | 1,04,086 | 3,37,220 | 4,41,306 | 35,505 | - - | 35,505 | 38,137 | 1,168 | 39,305 | 1,77,728 | 3,36,388 | 5,16,116 |
| | 1840–41 | 1,15,372 | 3,35,237 | 4,50,609 | 902 | - - | 902 | 1,26,923 | 43,150 | 1,70,073 | 2,43,197 | 3,78,387 | 6,21,584 |
| | 1841–42 | 2,07,228 | 2,78,167 | 4,85,395 | 23,608 | - - | 23,608 | 1,33,234 | 64,851 | 1,98,085 | 3,64,070 | 3,43,018 | 7,07,088 |
| | 1842–43 | 1,40,136 | 3,43,097 | 4,83,233 | 19,473 | - - | 19,473 | 1,81,316 | 79,931 | 2,61,247 | 3,40,925 | 4,23,028 | 7,63,953 |
| | 1843–44 | 1,96,680 | 4,25,152 | 6,21,832 | 5,582 | - - | 5,582 | 2,32,525 | 1,59,099 | 3,91,624 | 4,34,787 | 5,84,251 | 10,19,038 |
| | 1844–45 | 3,76,043 | 4,33,553 | 8,09,596 | 19,882 | - - | 19,882 | 4,56,384 | 13,145 | 4,69,529 | 8,52,309 | 4,46,698 | 12,99,007 |
| | 1845–46 | - - - | - - - | - - - | - - - | - - | - - - | 2,97,710 | 16,171 | 3,13,881 | 2,97,710 | 11,171 | 3,13,881 |
| TOTAL - - - | | 21,54,868 | 30,36,613 | 51,91,481 | 1,73,324 | - - | 1,73,324 | 24,66,488 | 4,35,130 | 29,01,618 | 47,94,680 | 34,71,743 | 82,66,423 |
| Metals - - | 1833–34 | 3,81,585 | 1,73,728 | 5,55,313 | 31,747 | - - | 31,747 | 5,37,251 | 75,146 | 6,12,397 | 9,50,583 | 2,48,874 | 11,99,457 |
| | 1834–35 | 2,71,018 | 4,84,014 | 7,55,032 | 561 | - - | 561 | 1,63,644 | 1,80,538 | 2,44,182 | 4,35,223 | 6,64,552 | 10,99,775 |
| | 1835–36 | - - - | 2,70,090 | 2,70,090 | 176 | - - | 176 | 4,93,155 | 1,39,286 | 6,32,441 | 4,93,333 | 4,09,376 | 9,02,707 |
| | 1836–37 | 12,828 | 2,22,033 | 2,34,861 | 342 | - - | 342 | 24,228 | 34,302 | 58,530 | 37,398 | 2,56,335 | 2,93,733 |
| | 1837–38 | 20,965 | 3,91,949 | 4,12,914 | 271 | - - | 271 | 83,841 | 1,08,838 | 1,92,679 | 1,05,077 | 5,00,787 | 6,05,864 |
| | 1838–39 | 2,76,405 | 2,20,467 | 4,96,872 | 400 | - - | 400 | 1,08,821 | 1,94,360 | 3,03,181 | 3,85,626 | 4,14,827 | 8,00,453 |
| | 1839–40 | 76,668 | 4,41,260 | 5,17,928 | 474 | - - | 474 | 14,657 | 69,797 | 84,454 | 91,799 | 5,11,057 | 6,02,856 |
| | 1840–41 | 22,003 | 5,19,081 | 5,41,084 | 2,963 | - - | 2,963 | 18,102 | 3,04,919 | 3,23,021 | 43,068 | 8,24,000 | 8,67,068 |
| | 1841–42 | 17,408 | 4,28,951 | 4,46,359 | 817 | - - | 817 | 48,971 | 81,497 | 1,30,468 | 67,196 | 5,10,448 | 5,77,644 |
| | 1842–43 | 1,08,357 | 3,35,340 | 4,43,697 | 788 | - - | 788 | 1,59,596 | 1,31,250 | 2,90,846 | 2,68,741 | 4,66,590 | 7,35,331 |
| | 1843–44 | 1,10,623 | 6,85,059 | 7,95,682 | 14,085 | - - | 14,085 | 1,98,688 | 1,98,148 | 3,96,836 | 3,23,396 | 8,83,207 | 12,06,603 |
| | 1844–45 | 5,04,141 | 7,42,652 | 12,46,793 | 8,510 | - - | 8,510 | 2,07,192 | 1,25,297 | 3,32,489 | 7,19,843 | 8,67,949 | 15,87,792 |
| | 1845–46 | - - - | - - - | - - - | - - - | - - | - - - | 1,83,381 | 99,548 | 2,82,929 | 1,83,381 | 99,548 | 2,82,929 |
| TOTAL - - - | | 18,02,001 | 49,14,624 | 67,16,625 | 61,134 | - - | 61,134 | 22,41,527 | 17,42,926 | 39,84,453 | 41,04,662 | 66,57,550 | 1,07,62,212 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Piece Goods | 1833–34 | 1,04,560 | 2,09,168 | 3,13,728 | 6,818 | - - | 6,818 | 4,30,205 | 1,943 | 4,32,148 | 5,41,583 | 2,11,111 | 7,52,694 |
| | 1834–35 | 1,11,090 | 96,094 | 2,07,184 | 62,680 | - - | 62,680 | 3,09,020 | 1,823 | 3,10,843 | 4,82,790 | 97,917 | 5,80,707 |
| | 1835–36 | 91,296 | 26,246 | 1,17,542 | 36,817 | - - | 36,817 | 4,87,059 | 11,941 | 4,99,000 | 6,15,172 | 38,187 | 6,53,359 |
| | 1836–37 | 5,03,105 | 69,352 | 5,72,457 | 42,327 | - - | 42,327 | 3,72,960 | 3,378 | 3,76,338 | 9,18,392 | 72,730 | 9,91,122 |
| | 1837–38 | 2,31,269 | 71,614 | 3,02,883 | 17,027 | - - | 17,027 | 2,92,358 | 11,599 | 3,03,957 | 5,40,654 | 83,213 | 6,23,867 |
| | 1838–39 | 1,35,323 | 49,579 | 1,84,902 | 61,412 | - - | 61,412 | 3,79,972 | 7,376 | 3,87,348 | 5,76,707 | 56,955 | 6,33,662 |
| | 1839–40 | 32,929 | 73,237 | 1,06,166 | 25,473 | - - | 25,473 | 1,18,956 | 5,234 | 1,24,190 | 1,77,358 | 78,471 | 2,55,829 |
| | 1840–41 | 1,78,915 | 1,48,660 | 3,27,575 | 32,026 | - - | 32,026 | 5,28,048 | 27,036 | 5,55,084 | 7,38,989 | 1,75,696 | 9,14,685 |
| | 1841–42 | 1,54,675 | 51,352 | 2,06,027 | 37,803 | - - | 37,803 | 3,51,445 | 36,199 | 3,87,644 | 5,43,923 | 87,551 | 6,31,474 |
| | 1842–43 | 1,11,670 | 57,919 | 1,69,589 | 8,552 | - - | 8,552 | 5,51,949 | 14,576 | 5,66,525 | 6,72,171 | 72,495 | 7,44,666 |
| | 1843–44 | 85,130 | 32,390 | 1,17,520 | 13,079 | - - | 13,079 | 5,19,746 | 4,084 | 5,23,830 | 6,17,955 | 36,474 | 6,54,429 |
| | 1844–45 | 1,77,907 | 20,697 | 1,98,604 | 28,567 | - - | 28,567 | 8,44,665 | 2,115 | 8,46,780 | 10,51 139 | 22,812 | 10,73,951 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 5,63,799 | 6,661 | 5,70,460 | 5,63,799 | 6,661 | 5,70,460 |
| | TOTAL - - - | 19,17,869 | 9,06,308 | 28,24,177 | 3,72,581 | - - | 3,72,581 | 57,50,182 | 1,33,965 | 58,84,147 | 80,40,632 | 10,40,273 | 90,80,905 |
| Raw Silk | 1833–34 | - - - | - - - | - - - | - - | - - | - - - | 14,07,630 | - - - | 14,07,630 | 14,07,630 | - - - | 14,07,630 |
| | 1834–35 | - - - | - - - | - - - | 1,404 | - - | 1,404 | 15,43,884 | 1,595 | 15,45,479 | 15,45,288 | 1,595 | 15,46,883 |
| | 1835–36 | - - - | - - - | - - - | - - | - - | - - - | 18,25,454 | 7,081 | 18,32,535 | 18,25,454 | 7,081 | 18,32,535 |
| | 1836–37 | - - - | - - - | - - - | 2,008 | - - | 2,008 | 17,43,880 | 8,092 | 17,51,972 | 17,45,888 | 8,092 | 17,53,980 |
| | 1837–38 | - - - | - - - | - - - | - - | - - | - - - | 12,87,271 | 1,239 | 12,88,510 | 12,87,271 | 1,239 | 12,88,510 |
| | 1838–39 | - - - | - - - | - - - | - - | - - | - - - | 12,85,761 | 9,935 | 12,95,696 | 12,85,761 | 9,935 | 12,95,696 |
| | 1839–40 | - - - | - - - | - - - | - - | - - | - - - | 4,56,662 | 5,447 | 4,62,109 | 4,56,662 | 5,447 | 4,62,109 |
| | 1840–41 | - - - | - - - | - - - | 175 | - - | 175 | 25,83,110 | 22,326 | 26,05,436 | 25,83,285 | 22,326 | 26,05,611 |
| | 1841–42 | - - - | - - - | - - - | 2,339 | - - | 2,339 | 22,20,654 | 1,54,098 | 23,74,752 | 22,22,293 | 1,54,098 | 23,77,091 |
| | 1842–43 | - - - | - - - | - - - | 585 | - - | 585 | 17,97,841 | 78,972 | 18,76,813 | 17,98,426 | 78,972 | 18,77,398 |
| | 1843–44 | - - - | - - - | - - - | 114 | - - | 114 | 15,93,210 | 25,276 | 16,18,486 | 15,93,324 | 25,276 | 16,18,600 |
| | 1844–45 | - - - | - - - | - - - | 2,323 | - - | 2,323 | 17,28,148 | 70,970 | 17,99,118 | 17,30,471 | 70,970 | 18,01,441 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 16,98,836 | 68,996 | 17,67,832 | 16,98,836 | 68,996 | 17,67,832 |
| | TOTAL - - - | - - - | - - - | - - - | 8,948 | - - | 8,948 | 2,11,72,341 | 4,54,027 | 2,16,26,368 | 2,11,81,289 | 4,54,027 | 2,16,35,316 |
| Spices | 1833–34 | - - - | 2,11,148 | 2,11,148 | 108 | - - | 108 | 2,06,342 | 12,843 | 2,19,185 | 2,06,450 | 2,23,991 | 4,30,441 |
| | 1834–35 | - - - | 4,40,427 | 4,40,427 | 8,868 | - - | 8,868 | 1,61,619 | 31,102 | 1,92,721 | 1,70,487 | 4,71,529 | 6,42,016 |
| | 1835–36 | - - - | 4,23,862 | 4,23,862 | 1,824 | - - | 1,824 | 1,68,645 | 59,656 | 2,28,301 | 1,70,469 | 4,83,518 | 6,53,987 |
| | 1836–37 | 1,493 | 5,30,179 | 5,31,672 | 1,824 | - - | 1,864 | 1,03,217 | 25,549 | 1,28,766 | 1,06,574 | 5,55,728 | 6,62,302 |
| | 1837–38 | - - - | 5,54,459 | 4,54,459 | 91 | - - | 91 | 57,366 | 68,030 | 1,25,396 | 57,457 | 6,22,489 | 6,79,946 |
| | 1838–39 | 3,037 | 4,52,012 | 4,55,049 | 1,859 | - - | 1,859 | 38,191 | 46,560 | 84,751 | 43,087 | 4,98,572 | 5,41,659 |
| | 1839–40 | - - - | 5,78,746 | 5,78,746 | 1,389 | - - | 1,389 | 23,833 | 25,014 | 48,847 | 25,222 | 6,03,760 | 6,28,982 |
| | 1840–41 | - - - | 4,23,401 | 4,23,401 | 830 | - - | 830 | 68,404 | 1,06,567 | 1,74,971 | 69,234 | 5,29,968 | 5,99,202 |
| | 1841–42 | 5,362 | 9,51,865 | 9,57,227 | 5,735 | - - | 5,735 | 1,14,572 | 1,01,888 | 2,16,460 | 1,25,669 | 10,53,753 | 11,79,422 |
| | 1842–43 | - - - | 6,38,212 | 6,38,212 | 226 | - - | 226 | 2,33,290 | 1,04,433 | 3,37,723 | 2,33,516 | 7,42,645 | 9,76,161 |
| | 1843–44 | - - - | 5,59,815 | 5,39,815 | 1,170 | - - | 1,170 | 2,51,931 | 87,629 | 3,39,560 | 2,53,101 | 6,47,444 | 9,00,545 |
| | 1844–45 | 417 | 4,21,376 | 4,21,793 | 10,047 | - - | 10,047 | 1,20,229 | 75,505 | 1,95,734 | 1,30,693 | 4,96,881 | 6,27,574 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 1,88,400 | 49,655 | 2,38,055 | 1,88,400 | 49,665 | 2,38,055 |
| | TOTAL - - - | 10,309 | 61,85,502 | 61,95,811 | 34,011 | - - | 34,011 | 17,36,039 | 7,94,431 | 25,30,470 | 17,80,359 | 69,79,933 | 87,60,292 |





(*continued*)

STATEMENT of the IMPORT TRADE from *China*, at the Presidencies of *Bengal, Fort St. George*, and *Bombay*—continued.

| ARTICLES. | YEARS. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Sugar and Sugar Candy | 1833-34 | 1,111 | 240 | 1,351 | 3,582 | - - | 3,582 | 3,98,562 | 2,80,125 | 6,78,687 | 4,03,255 | 2,80,365 | 6,83,620 |
| | 1834-35 | 8,674 | 212 | 8,886 | 44,227 | - - | 44,227 | 2,16,621 | 3,71,296 | 5,87,917 | 2,69,522 | 3,71,508 | 6,41,030 |
| | 1835-36 | 32,727 | 1,431 | 34,158 | 28,793 | - - | 28,783 | 5,49,764 | 2,86,471 | 8,36,235 | 6,11,284 | 2,87,902 | 8,99,186 |
| | 1836-37 | 6,818 | - - - | 6,818 | 18,181 | - - | 18,181 | 9,61,250 | 3,95,356 | 13,56,606 | 9,86,249 | 3,95,356 | 13,81,605 |
| | 1837-38 | - - - | - - - | - - - | 8,198 | - - | 8,198 | 7,31,574 | 6,56,850 | 13,88,424 | 7,39,772 | 6,56,850 | 13,96,622 |
| | 1838-39 | - - - | - - - | - - - | 12,378 | - - | 12,378 | 7,63,621 | 7,09,709 | 14,73,330 | 7,75,990 | 7,09,709 | 14,85,708 |
| | 1839-40 | - - - | - - - | - - - | 10,349 | - - | 10,349 | 1,68,587 | 3,61,187 | 5,29,774 | 1,78,936 | 3,61,187 | 5,40,123 |
| | 1840-41 | - - - | - - - | - - - | 373 | - - | 373 | 8,79,391 | 10,89,443 | 19,68,834 | 8,79,764 | 10,89,443 | 19,69,207 |
| | 1841-42 | - - - | - - - | - - - | - - | - - | - - - | 12,03,234 | 9,90,047 | 21,93,281 | 12,03,234 | 9,90,047 | 21,93,281 |
| | 1842-43 | - - - | - - - | - - - | - - | - - | - - - | 10,23,010 | 11,34,595 | 21,57,605 | 10,23,010 | 11,34,595 | 21,57,605 |
| | 1843-44 | - - - | - - - | - - - | - - | - - | - - - | 10,48,813 | 12,35,068 | 22,83,881 | 10,48,813 | 12,35,068 | 22,83,881 |
| | 1844-45 | - - - | - - - | - - - | - - | - - | - - - | 12,85,285 | 9,01,893 | 21,87,178 | 12,85,285 | 9,01,893 | 21,87,178 |
| | 1845-46 | - - - | - - - | - - - | - - | - - | - - - | 19,77,464 | 5,06,197 | 24,83,661 | 19,77,464 | 5,06,197 | 24,83,661 |
| TOTAL - - - | | 49,330 | 1,883 | 51,213 | 1,26,081 | - - | 1,26,081 | 1,12,07,176 | 89,18,237 | 2,01,25,413 | 1,13,82,587 | 89,20,120 | 2,03,02,707 |
| Tea - - | 1833-34 | 1,80,663 | 756 | 1,81,419 | 40,960 | - - | 40,960 | 3,62,578 | - - - | 3,62,578 | 5,84,201 | 756 | 5,84,957 |
| | 1834-35 | 2,83,793 | 3,033 | 2,86,826 | 1,42,089 | - - | 1,42,089 | 3,50,638 | - - - | 3,50,638 | 7,76,520 | 3,033 | 7,79,553 |
| | 1835-36 | 1,04,675 | 8,007 | 1,12,682 | 53,297 | - - | 53,297 | 2,24,427 | - - - | 2,24,427 | 3,82,399 | 8,007 | 3,90,406 |
| | 1836-37 | 1,57,404 | 2,378 | 1,59,782 | 41,688 | - - | 41,688 | 1,67,865 | - - - | 1,67,865 | 3,66,957 | 2,378 | 3,69,335 |
| | 1837-38 | 1,81,244 | 3,990 | 1,85,234 | 56,518 | - - | 56,518 | 1,77,385 | - - - | 1,77,385 | 4,15,147 | 3,990 | 4,19,137 |
| | 1838-39 | 2,09,895 | 4,976 | 2,14,871 | 96,656 | - - | 96,656 | 1,50,124 | 1,326 | 1,51,450 | 4,56,675 | 6,302 | 4,62,977 |
| | 1839-40 | 2,58,505 | 1,24,685 | 3,83,190 | 80,013 | - - | 80,013 | 86,452 | 4,020 | 90,472 | 4,24,970 | 128,705 | 5,53,675 |
| | 1840-41 | 3,01,828 | 1,70,275 | 4,72,103 | 1,15,757 | - - | 1,15,757 | 3,73,497 | 11,082 | 3,84,579 | 7,91,082 | 1,81,357 | 9,72,439 |
| | 1841-42 | 1,47,423 | 2,17,608 | 3,65,031 | 67,978 | - - | 67,978 | 3,32,986 | 36,438 | 3,69,424 | 5,48,387 | 2,54,046 | 8,02,433 |
| | 1842-43 | 1,11,934 | 1,70,678 | 2,82,612 | 51,182 | - - | 51,182 | 4,35,787 | 44,046 | 4,79,833 | 5,98,903 | 2,14,724 | 8,13,627 |
| | 1843-44 | 1,50,043 | 1,05,052 | 2,55,095 | 77,422 | - - | 77,422 | 4,47,333 | 83,169 | 5,30,502 | 6,74,798 | 1,88,221 | 8,63,019 |
| | 1844-45 | 1,07,530 | 53,756 | 1,61,286 | 1,28,587 | - - | 1,28,587 | 2,46,471 | - - - | 2,46,471 | 4,82,588 | 53,756 | 5,36,344 |
| | 1845-46 | - - - | - - - | - - - | - - | - - | - - - | 1,69,477 | 4,875 | 1,74,352 | 1,69,477 | 4,875 | 1,74,352 |
| TOTAL - - - | | 21,94,937 | 8,65,194 | 30,60,131 | 9,52,147 | - - | 9,52,147 | 35,25,020 | 1,84,956 | 37,09,976 | 66,72,104 | 10,50,150 | 77,82,254 |
| Vermilion - | 1833-34 | 1,47,934 | 2,880 | 1,50,814 | - - | - - | - - - | 1,50,556 | - - - | 1,50,556 | 2,98,490 | 2,880 | 3,01,370 |
| | 1834-35 | 97,272 | - - - | 97,272 | - - | - - | - - - | 30,660 | - - - | 30,660 | 1,27,932 | - - - | 1,27,932 |
| | 1835-36 | - - - | - - - | - - - | - - | - - | - - - | 2,184 | - - - | 2,184 | 2,184 | - - - | 2,184 |
| | 1836-37 | 47,464 | 348 | 47,812 | - - | - - | - - - | 10,218 | - - - | 10,218 | 57,682 | 348 | 58,030 |
| | 1837-38 | 92,325 | - - - | 92,325 | - - | - - | - - - | 14,028 | - - - | 14,028 | 1,06,353 | - - - | 1,06,353 |
| | 1838-36 | 58,680 | - - - | 58,680 | - - | - - | - - - | 11,760 | - - - | 11,760 | 70,440 | - - - | 70,440 |
| | 1839-40 | 69,960 | 579 | 70,539 | - - | - - | - - - | 23,662 | - - - | 23,662 | 93,622 | 579 | 94,201 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vermilion (*continued*) | 1840–41 | 2,32,309 | 48,267 | 2,80,576 | - - | - - | - - - | 1,04,922 | 2,078 | 1,07,000 | 3,37,231 | 50,345 | 3,87,576 |
| | 1841–42 | 63,372 | 640 | 64,012 | - - | - - | - - - | 18,700 | - - - | 18,700 | 82,072 | 640 | 82,712 |
| | 1842–43 | 26,490 | 2,297 | 28,786 | - - | - - | - - - | 14,150 | - - - | 14,150 | 40,640 | 2,297 | 42,937 |
| | 1843–44 | 84,588 | 1,300 | 85,888 | - - | - - | - - - | 57,690 | - - - | 57,690 | 1,42,278 | 1,300 | 1,43,578 |
| | 1844–45 | 1,97,808 | 28,980 | 2,26,788 | - - | - - | - - - | 81,503 | - - - | 81,503 | 279,311 | 28,980 | 3,08,291 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 9,000 | - - - | 9,000 | 9,000 | - - - | 9,000 |
| TOTAL - - - | | 11,18,202 | 85,291 | 12,03,493 | - - | - - | - - - | 5,29,033 | 2,078 | 5,31,111 | 16,47,235 | 87,369 | 17,34,604 |
| Sundries | 1833–34 | 89,551 | 1,42,497 | 2,32,048 | 21,627 | - - | 21,627 | 6,14,529 | 1,21,842 | 7,36,371 | 7,25,707 | 2,64,339 | 9,90,046 |
| | 1834–35 | 1,40,823 | 2,81,490 | 4,22,313 | 94,733 | - - | 94,733 | 6,78,899 | 1,91,745 | 8,70,644 | 9,14,455 | 4,73,235 | 13,87,690 |
| | 1835–36 | 2,03,428 | 3,89,546 | 5,92,974 | 57,582 | 75 | 57,657 | 5,85,860 | 2,91,110 | 8,76,970 | 8,46,870 | 6,80,731 | 15,27,601 |
| | 1836–37 | 1,91,659 | 2,88,461 | 4,80,120 | 60,941 | - - | 60,941 | 5,44,706 | 2,50,047 | 7,94,753 | 7,97,306 | 5,38,508 | 13,35,814 |
| | 1837–38 | 1,83,750 | 6,50,918 | 8,34,668 | 19,716 | - - | 19,716 | 5,33,971 | 1,52,229 | 6,86,200 | 7,37,437 | 8,03,147 | 15,40,584 |
| | 1838–39 | 1,86,060 | 3,09,702 | 4,95,762 | 80,479 | - - | 80,479 | 4,62,471 | 2,76,460 | 7,38,931 | 7,29,010 | 5,86,162 | 13,15,172 |
| | 1839–40 | 68,861 | 3,89,648 | 4,58,509 | 42,269 | - - | 42,269 | 2,74,457 | 1,42,052 | 4,16,509 | 3,85,587 | 5,31,700 | 9,17,287 |
| | 1840–41 | 1,96,629 | 3,96,408 | 5,93,037 | 33,197 | - - | 33,197 | 3,77,049 | 2,94,262 | 6,71,311 | 6,06,875 | 6,90,670 | 12,97,545 |
| | 1841–42 | 1,32,594 | 3,75,209 | 5,07,803 | 48,084 | - - | 48,084 | 3,29,824 | 3,05,449 | 6,35,273 | 5,10,502 | 6,80,658 | 11,91,160 |
| | 1842–43 | 1,70,412 | 2,24,786 | 3,95,198 | 18,574 | - - | 18,574 | 5,58,299 | 3,75,686 | 9,33,985 | 7,47,285 | 6,00,472 | 13,47,757 |
| | 1843–44 | 1,88,191 | 3,89,528 | 5,77,719 | 31,253 | - - | 31,253 | 10,81,951 | 3,55,643 | 14,37,594 | 13,01,395 | 7,45,171 | 20,46,566 |
| | 1844–45 | 1,88,571 | 2,80,104 | 4,68,675 | 1,20,264 | - - | 1,20,264 | 12,02,687 | 3,02,572 | 15,05,405 | 15,11,522 | 5,82,676 | 20,94,198 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 8,26,615 | 1,78,790 | 10,05,405 | 8,26,615 | 1,78,790 | 10,05,405 |
| TOTAL - - - | | 19,40,529 | 41,18,297 | 60,58,826 | 6,28,719 | 75 | 6,28,794 | 80,71,318 | 32,37,887 | 1,13,09,205 | 1,06,40,566 | 73,56,259 | 1,79,96,825 |
| TOTALS | 1833–34 | 10,08,170 | 8,29,153 | 18,37,323 | 1,05,313 | - - | 1,05,313 | 42,05,738 | 5,02,667 | 48,08,405 | 54,19,221 | 13,31,820 | 67,51,041 |
| | 1834–35 | 11,92,026 | 15,07,197 | 26,99,223 | 3,77,873 | - - | 3,77,873 | 35,83,378 | 7,91,015 | 43,74,393 | 51,53,277 | 22,98,212 | 74,51,489 |
| | 1835–36 | 5,96,907 | 12,95,952 | 18,92,859 | 1,88,876 | 75 | 1,88,951 | 45,75,715 | 8,12,516 | 53,88,231 | 53,61,498 | 21,08,543 | 74,70,041 |
| | 1836–37 | 10,75,061 | 12,17,564 | 22,92,625 | 1,74,706 | - - | 1,74,706 | 40,05,669 | 7,17,721 | 47,23,390 | 52,55,436 | 19,35,285 | 71,90,721 |
| | 1837–38 | 9,30,178 | 18,46,438 | 27,76,616 | 1,04,327 | - - | 1,04,327 | 33,66,160 | 10,00,483 | 43,66,643 | 44,00,665 | 28,46,921 | 72,47,586 |
| | 1838–39 | 9,62,905 | 11,75,169 | 21,38,074 | 2,77,526 | - - | 2,77,526 | 33,69,624 | 12,59,991 | 46,29,615 | 46,10,055 | 24,35,160 | 70,45,215 |
| | 1839–40 | 6,11,009 | 19,45,375 | 25,56,384 | 1,95,472 | - - | 1,95,472 | 12,05,403 | 6,13,919 | 18,19,322 | 20,11,884 | 25,59,294 | 45,71,178 |
| | 1840–41 | 10,47,056 | 20,41,329 | 30,88,385 | 1,86,223 | - - | 1,86,223 | 50,59,446 | 19,00,863 | 69,60,309 | 62,92,725 | 39,42,192 | 1,02,34,917 |
| | 1841–42 | 7,28,062 | 23,03,792 | 30,31,854 | 1,86,364 | - - | 1,86,364 | 47,53,620 | 17,70,467 | 65,24,087 | 56,68,046 | 40,74,259 | 97,42,305 |
| | 1842–43 | 6,68,999 | 17,72,329 | 24,41,328 | 99,380 | - - | 99,380 | 49,55,238 | 19,63,489 | 69,18,727 | 57,23,617 | 37,35,818 | 94,59,435 |
| | 1843–44 | 8,15,255 | 21,98,296 | 30,13,551 | 1,42,705 | - - | 1,42,705 | 54,31,887 | 21,48,116 | 75,80,003 | 63,89,847 | 43,46,412 | 1,07,36,259 |
| | 1844–45 | 15,52,417 | 19,81,118 | 35,33,535 | 3,18,180 | - - | 3,18,180 | 61,72,564 | 14,91,497 | 76,64,061 | 80,43,161 | 34,72,615 | 1,15,15,776 |
| | 1845–46 | - - - | - - - | - - - | - - | - - | - - - | 59,14,682 | 9,30,893 | 68,45,575 | 59,14,682 | 9,30,893 | 68,45,575 |
| TOTAL - - - | | 1,11,88,045 | 2,01,13,712 | 3,13,01,757 | 23,56,945 | 75 | 23,57,020 | 5,66,99,124 | 1,59,03,637 | 7,26,02,761 | 7,02,44,114 | 3,60,17,424 | 10,62,61,538 |

## ABSTRACT.

| ARTICLES. | BENGAL. | | | MADRAS. | | | BOMBAY. | | | TOTAL. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. | China. | Penang and Eastward. | TOTAL. |
| Drugs and Medicines | 21,54,868 | 30,36,613 | 51,91,481 | 1,73,324 | - - | 1,73,324 | 24,66,488 | 4,35,130 | 29,01,618 | 47,94,680 | 34,71,743 | 82,66,423 |
| Metals | 18,02,001 | 49,14,624 | 67,16,625 | 61,134 | - - | 61,134 | 22,41,527 | 17,42,926 | 39,84,453 | 41,04,662 | 66,57,550 | 1,07,62,212 |
| Piece Goods | 19,17,869 | 9,06,308 | 28,24,177 | 3,72,581 | - - | 3,72,581 | 57,50,182 | 1,33,965 | 58,84,147 | 80,40,632 | 10,40,273 | 90,80,905 |
| Raw Silk | - - - | - - - | - - - | 8,948 | - - | 8,948 | 2,11,72,341 | 4,54,027 | 2,16,26,368 | 2,11,81,289 | 4,54,027 | 2,16,35,316 |
| Spices | 10,309 | 61,85,502 | 61,95,811 | 34,011 | - - | 34,011 | 17,36,039 | 7,94,431 | 25,30,470 | 17,80,359 | 69,79,933 | 87,60,292 |
| Sugar and Sugar Candy | 49,330 | 1,883 | 51,213 | 1,26,081 | - - | 1,26,081 | 1,12,07,176 | 89,18,237 | 2,01,25,413 | 1,13,82,587 | 89,20,120 | 2,03,02,707 |
| Tea | 21,94,937 | 8,65,194 | 30,60,131 | 9,52,147 | - - | 9,52,147 | 35,25,020 | 1,84,956 | 37,09,976 | 66,72,104 | 10,50,150 | 77,22,254 |
| Vermilion | 11,18,202 | 85,291 | 12,03,493 | - - | - - | - - - | 5,29,033 | 2,078 | 5,31,111 | 16,47,235 | 87,369 | 17,34,604 |
| Sundries | 19,49,529 | 41,18,297 | 60,58,826 | 6,28,719 | 75 | 6,28,794 | 80,71,318 | 32,37,887 | 1,13,09,205 | 1,06,40,566 | 73,56,259 | 1,79,96,825 |
| TOTALS | 1,18,88,045 | 2,01,13,712 | 3,13,01,757 | 23,56,945 | 75 | 23,57,020 | 5,66,99,124 | 1,59,03,637 | 7,26,02,761 | 7,02,44,114 | 3,60,17,424 | 10,62,61,528 |

## Appendix, No. 9.



### The NAVIGATION of the CHINA SEA, by Captain *Collinson*, R. N.

COMPARATIVELY little or nothing was known of the east coast of China until the expedition in 1840; in fact, the charts were calculated rather to mislead than aid the seaman. Now, however, a large portion of the coast (800 miles) is correctly delineated, the Government having kept vessels constantly employed surveying, and charts are published with sailing directions, by means of which vessels can navigate between Hong Kong and the Yang-tse-keang without that risk to which, from ignorance of the coast, they were formerly exposed.

The following is a list of charts published by the Hydrographic Office, and other plans are in progress:

Coast of China, Index Chart, from Kanton to Korea, corrected to 1846.
South Coast, Sheet I., Hainan to Macao, 1840.
Yulinkan Bay, 1760.
Views on the Coast of Hainan, 1760.
Teen-pe-heen Harbour, 1776.
Shitoe Bay, 1786.
Tonghou Cove, 1797.
South Coast, Sheet II., Macao to Namoa, 1840.
Macao, 1804.
Cumsingmun Harbour.
Canton River, Sheet I., corrected to 1840.
Ditto, Sheet II., ditto.
Ditto, Sheet III., ditto.
Ditto, Sheet IV., ditto.
Ditto, Sheet V., ditto.
Toongkoo Bay, 1838.
Hong Kong, 1845.
Views, Hong Kong, 1846.
East Coast, Sheet II., Hong Kong to Heichechin Bay, 1846.
Ditto, Sheet III., Heichechin Bay to Chauan, 1846.
Ditto, Sheet IV., Chauan to Port Matheson.
Amoy Harbour, 1843.
Chinchew Harbour, 1844.
East Coast, Sheet V., Matheson Harbour to Rugged Point, 1843.
Entrance to the River Min, 1843.
East Coast, Sheet VI., Rugged Point to Pih-ke-shan, 1843.
Ditto, Sheet VII., Pih-ke-shan to Heeshan, 1843.
Ditto, Sheet VIII., Hieshan to the Yang-tse-keang, 1843.
Kwesan Islands, 1841.
Nimrod Sound, 1843.
Chusan Islands, South Sheet, 1841.
Ditto, North Sheet, 1841.
Tinghae Harbour, 1840.
North Bay, Chusan, 1842.
Kingtang Channel, 1843.
Yungkeang, or Ningpo River, 1841.
Chapoo Road, 1842.
South and East Islands of the Saddle Group, 1842.
The Yang-tse-keang, 1842.
Route of the British Embassy along part of the Yang-tse-keang, 1816.
Wosung River, 1842.
Wosung to Shanghae and the Tienshan Lake.

The following are preparing for publication:—Mirs Bay, Island of Namoa, Tongsan Harbour, Howtowshan Bay, Hoetow Bay, The Pescadores, North West Coast of Formosa, Kelung Harbour, Entrance to the Min; besides small plans of Junk Anchorages and Roadsteads; by aid of which, vessels will have no difficulty in finding their way up the coast; which affords numerous places for shelter, so much so, that in this distance of 800 miles,

Appendix, No. 9.

Navigation of the China Sea.

miles, there are only three places where 30 miles intervene without anchorage, where vessels may ride securely during the N. E. monsoon, which is the most violent, and lasts two-thirds of the year.

The passage to Shanghae from Hong Kong is now made, constantly, against the monsoon, which was formerly deemed impracticable; but it would add greatly to the commercial interest, and enable the smaller merchant to compete more successfully with the larger firms, if a regular communication was established; as it frequently happens that the latter, through their numerous fleet of fast-sailing vessels, obtain priority of information. Well-found steam vessels would perform the voyage as under:

| | Passage. | Delay. |
|---|---|---|
| Hong Kong to Amoy - - - - - - | 2 days. | 1 day. |
| Amoy to Foochowfoo - - - - - - | 1 day. | 1 day. |
| Foochowfoo to Shanghae, calling at Ningpo - - | 3 days. | |
| Total - - - - | 6 days. | 2 days. |

The communication between Hong Kong and Singapore occupies from eight to 10 days, and should Laboan be resorted to, (as it is likely to be in consequence of the facility of obtaining coal,) and particularly in the north-east monsoon (when steam vessels are enabled to make good their way in the Palawan Channel when they could not do so in the open sea to the westward), the time of performing the voyage will not be greatly increased, notwithstanding the distance is lengthened 400 miles, as greater speed will be obtained in consequence of the vessels not being required to carry so much fuel, and being somewhat more sheltered.

The access to Hong Kong would be a matter of much greater certainty if aided by light-houses at the entrance of the Ladrone and Lemma Channels, as vessels are very often swept away to the southward and westward by the current during the night, and experience considerable difficulty in regaining their ground.

The entrance to the River Min is now exceedingly aukward to strangers for want of good leading marks, but the navigation of that river might be rendered comparatively easy by raising Rees' Rock (a small rock three or four feet above high water, on the south side of the river, and four miles within the bar,) 20 feet higher than it is at present; placing a couple of buoys in the channel, and an iron perch on the outer reef; the outlay for all of which would not exceed 200 *l.*

The mouth of the Yang-tse-Keang is also in its present state much in want of marks whereby to guide the seaman. Three total wrecks and the critical position in which many others have been placed, induced Captain Balfour in 1845 to represent to the authorities the necessity of taking some steps towards the prevention of these casualties. Annexed is the letter of the Naval Commander-in-Chief on the subject; but no measures have been resorted to as yet, notwithstanding the additional insurances at present levied, which are a heavy charge upon the trade, far exceed the outlay contemplated. The Chinese authorities have expressed their readiness to protect the beacons when erected; it will, however, be necessary that a conference should take place among the plenipotentiaries of the foreign powers in China, in order to regulate the dues for their maintenance, otherwise the expense will fall totally on the British trade.

It will also be found a great convenience if moorings were placed for the vessels to ride by at Shanghae, as the space allotted to the foreign trade is confined, and cannot be increased without encroaching upon the junks, who having given way already, would not like to see tier after tier removed for the convenience of foreigners; when by resorting to the same methods they have recourse to, viz. mooring head and stern, sufficient space would be found.

It now remains to point out what has to be done in the China Sea.

To the north of the Yang-tse-Keang there are 1,600 miles of coast unexplored, independent of the eastern side of the Corean Peninsula and the Japanese Archipelago.

On the Island of Formosa, about 80 miles of coast-line have been laid down, leaving about 400 of which little is yet known.

Between Formosa and the coast of China there exists a large portion of shallow water which requires examination.

To the west of Hong Kong there are 240 miles of coast, the prominent points of which have been laid down by Captain Ross, and several of the harbours surveyed, but both it and the coast of Hainan, comprising a distance of 600 miles, require a closer investigation than he was permitted in those days to give it.

Of the 600 miles comprising the Gulf of Tonquin, 300 may be said to be unknown.

The 600 miles of the coast of Cochin China has been explored by order of the French Government.

In the Gulf of Siam are 1,000 miles which require to be delineated.

In the China sea the coral reefs require to be relatively laid down and thoroughly investigated, which, with the accurate delineation of the Palawan coast, is a great desideratum, and will occupy several years of arduous labour.

*Native Trade.*

THE facility afforded for inland communication by means of the rivers and canals, throughout the empire, has probably greatly reduced the native trade, notwithstanding the natural advantages the coast possesses for the purpose, by means of its numerous harbours, and the certainty of periodical winds.

Thus we find that along the whole Canton province, to the eastward of Hong Kong, there is but one mart of any consequence (Tysammi for salt), until we arrive near to its junction with Fokien. Here (opposite to the island of Namoa) the River Han empties itself into the sea through eight mouths (the southern of which is accessible to vessels drawing 12 or 15 feet water), draining a large extent of country, the principal productions of which are sugar and tobacco.

In Fokien the rivers do not traverse the province from east to west, as in Kwangtung, consequently the coasting communication is more active, and this probably has led to the fact that the Fokien men are considered the seamen of China; few junks being without one or more on board.

To the south of Amoy are Tongsan and Howtowshan, both places of resort for the sugar trade: the former has an excellent harbour for all classes of vessels.

Amoy being one of the ports to which we have access, need only be mentioned here as being probably third in point of native trade; Canton and Shanghae exceeding, while Ningpo and Foochow have less.

Opposite to Amoy, and nearly midway between it and Formosa, are the Pescadore Islands, a group of low basaltic rocks, surrounded by coral reefs, which afford no article of export except fish. They afford not only an excellent asylum in the shape of harbours for the Formosa trade, but provide the means of correcting the reckoning; a subject of great importance in a channel where currents are strong, and where compasses are rude and astronomical observations unknown. A lighthouse (the only one we met with in the China Sea) is erected upon one of the islands; but being badly provided with oil, and furnished with oyster-shell windows instead of glass, it does not give that aid which it might.

The Formosa coast, as far as we know, and from the report of the Chinese themselves, is exceedingly hazardous to approach; but in consequence of its produce, viz. rice, sugar, and timber, junks are met with continually passing to and fro: its trade is not confined to the Fokien province, but extends throughout the whole of the maritime district.

Between Amoy and Foochowfoo are Chimmo and Chinchew Bays, Meichow Sound and Hinghwa Bay, all of which carry on a considerable commerce: convoys of from 20 to as many as 80 sail will be seen arriving and departing.

The first, Chimmo, maintains a great intercourse with the north end of Formosa. Chinchew, in lat. 24. 53, and long. 118. 38, is the most important; the town is situated on the left bank of a river, which flows from the Ankoi tea districts, and has sufficient depth of water for vessels of 17 feet draught to approach within seven miles of it. The junks lie close to the town, but are compelled to wait for a rise of tide, the bar not being accessible to them at all times.

Foochowfoo carries on a very important trade in wood, both for building and fuel, with the northern provinces; but although the River Min, upon which it is situated, spreads its branches throughout the province, some of which reach the Black Tea district, there is no activity in point of trade, except in the staple article; and upon inspecting the records of the Dutch embassy, which ascended this river in 1664, we find mention of dangerous rapids 13 leagues above Foochow. The embassy travelled on the river to Puching, which is 180 miles from Foochow, being 21 days accomplishing that distance; occasionally their progress in 24 hours was only 2 ½ leagues.

North of the Min is Fuhningfoo, from whence some trade is carried on to Formosa; and in wood, with the Chekeang province.

The coasting vessels of Chekeang are smaller, and may properly be designated large boats; the southern port of importance in the province is Wanchowfoo, situated on the left bank of the river Ngan, which has an inland communication of 100 miles, and penetrates to a silk district. Alum, which is in great request for purifying the river water, is one of the principal articles of export. The river will admit vessels of 14 feet draught at low water to within five miles of the town.

North of Wanchow is Taechow, also on the banks of a river, which has 10 feet on the bar at its mouth at low water: this place supplies Shanghae and Soochow with firewood. There is an inland water communication by means of the Tsientang River between it and Ningpo, which will probably interfere with the ocean traffic.

Hangchowfoo, the capital of the province, is situated on the left bank of the Tsientang, about 70 miles from its mouth, which is opposite to the northern part of the Chusan Archipelago. This river may be esteemed as a continuation of the Imperial Canal, 140 miles further to the south, and is of great importance, as it affords the nearest communication

Appendix, No. 9.

Navigation of the China Sea.

with the tea district; unfortunately it is shallow at its mouth, and the navigation is rendered exceedingly dangerous in consequence of the rapidity of the tides.

Ningpo, in all probability, owes its prosperity to this cause, as it communicates by means of the Yungkeang and canals with the Tsientang, opposite to Hangchowfoo, and therefore may in some measure be esteemed its sea-port. As a native emporium, it may be looked upon as fourth in point of traffic. Foochowfoo may send more vessels to sea in the course of the year, but their cargoes will not be so valuable.

Chapoo, situated on the north side of the Tsientang (the same side as Hangchow), diverts, in all likelihood, some of the trade from Ningpo. It enjoys the monopoly of the Japan trade, amounting to from 12 to six vessels annually; but being a roadstead, it would not be so convenient for our purposes as the latter. There is a canal communication between it and Hanchow.

From Chapoo round to Shanghae there is no port, although the Ningpo boats will be seen running into creeks, where they lie aground at low water.

Shanghae, although not the nearest point on the Yang-tse to the city of Soochow and the Imperial Canal, is the most bustling place of native traffic along the whole coast, and will probably soon rival Canton in foreign intercourse.

The island of Tsungming maintains a considerable trade in cotton, salt, and fish.

Native vessels are not permitted to pass further up the Yang-tse than about 40 miles beyond Woosung, consequently there is little or no traffic on the river until you arrive at Keangyin, (70 miles from the sea,) and where the effect of the tides is scarcely perceptible.

Above this place, although the trade was interrupted during the occupation of the river by the fleet under Sir W. Parker, yet sufficient was seen to imply, notwithstanding the canals and the constant downward course of the river, that a large and important traffic was pursued upon it.

Valuable cargoes, owing to the risk run from inferior knowledge in the art of navigation, and the sea being infested by pirates, are seldom to be met with. I have boarded a fleet of 70 sail entirely laden with cabbages; and one or two Portuguese lorchas, manned with Manillamen and Lascars, derive a profit from the sums paid by the Chinese convoys for their protection.

In the event of access being permitted to the whole coast, the following may be esteemed as openings for foreign intercourse: Namoa, or the southern mouth of the River Han, Tongsan; Chimmo, Chinchew, Hingwhafoo, Kelung in Formosa, Wanchowfoo, Chapoo, and the Yang-tse-keang.

(signed) *Richard Collinson,*
Captain.

26 June 1847.

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Sir, Vixen, at Chusan, 2 January 1846.

HAVING, on my recent visit to Shanghae, learned with much interest the rapid increase of British trade at that port, and being aware from experience of the difficulties and inconveniences attending the approach of ships to it, I feel desirous of removing them as far as circumstances will admit. And although, from the port and country belonging to another State, and accessible to all nations, independent of our control, it will be impossible at present to render the approach to Shanghae so perfectly safe as it is susceeptible of being made, yet a great deal may now be done at a very moderate expense, worthy of the consideration of the British trade already resorting there; and I take the liberty of enclosing to your Excellency, for the information of the mercantile community at Hong Kong, a memorandum, framed after consultation with Captain Collinson, touching upon the material points most deserving early attention, which I request your Excellency will do me the favour to cause to be communicated to that body, accompanied by my assurance that, upon the present as upon every other occasion, I shall have great pleasure in availing myself of any opportunity of rendering my services useful in promoting the success and prosperity of their commercial enterprises.

I have, &c.
(signed) *Thomas Cochrane,*
Rear-Admiral.

To His Excellency Sir J. F. Davis, Bart.
&c. &c. &c.

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*Memorandum.*

The difficulties attending the navigation of the Yang-tse-Keang from its entrance to the Wosing River, commence after passing Gutzlaff's Island, and losing sight of it, which frequently is the case in foggy weather, when not above eight or 10 miles from it, although of a clear day the island is visible at the distance of 27 miles.

On losing sight of the before-mentioned island there is nothing to guide the eye until you have advanced far up the river, even in clear weather, and as the land on the southern bank is very low, you must go considerably further in hazy weather to obtain an object to do so; in the meantime the lead is the only guide, but which from the velocity and irregularity

larity of the tides or current will not indicate how far a vessel has ascended the river; nor can one be very sure always as to the side of it on which he may be; and the northern bank is dangerous to approach, in consequence of the deep water running close up to the sand.

Under these circumstances it is most desirable that vessels entering this river should have marks leading from one to another, until so far advanced in it as to be able to carry four fathoms water within two or three miles of the southern shore.

For which purpose, as well as to conduct a ship in safety into the Wosung River, and from thence to the port of Shanghae, it is recommended that the following arrangements should be made:

1st. On the starboard hand going in, a rude stone beacon to be erected on the Amherst Rocks, elevating them 20 feet higher than they are at present.

2d. A Chinese boat, with a beacon or pole raised upon her, 50 feet high, surmounted by a suitable top, to be anchored within the horse-shoe of the sand called "Tungsha," as suggested by Captain Collinson. *N.B.* Hereafter a light-boat may be substituted for her.

3d. One beacon 50 feet high on the right bank of the river, placed, if possible, so as to be taken up on losing sight of Gutzlaff's Island in hazy weather. *N.B.* Captain Collinson has been directed to find out such a position.

4th. One beacon 40 feet high on a point already chosen by Captain Collinson, and which will bear from the beacon boat S.S.W. ¼ W. by compass seven miles.

5th. One pole with a suitable top placed near the angle of the fort of Paushan, which coming on with a whitewashed mark already placed, to be a leading mark to the entrance of the Wosung river.

6th. Three high poles, painted different colours, to replace three trees now existing as marks for advancing in the river; and one painted board, six feet square, elevated forty feet, to be placed under these poles, where a temporary board now exists.

7th. One transporting buoy properly moored on the port-hand entrance to the river.

8th. Three other similar buoys, to be placed as marked by Captain Collinson, to indicate the narrowest pass of the river to Shanghae, and to answer at the same time as warping buoys through the said narrows.

9th. Captain Balfour having suggested the propriety of having moorings laid down opposite to the consulate ground at Shanghae, for the purpose of securing ships arriving there, and preventing the accidents that will probably arise as the trade increases from vessels fouling each other, and also to obviate the confusion that must ensue where vessels are anchored without any plan or arrangement; and Captain Balfour having met the difficulty that occurred to me which might arise from the impossibility of securing obedience to any arrangement, however salutary, from vessels of other than our own nation, by informing me that the Chinese government had assigned a certain extent of frontage in face of the ground now secured to the British merchants, with permission to advance a certain distance into the river:

I recommend that one small stone pillar may be placed on shore at each extremity of this grant, and two large buoys to correspond with the same in the river, the said buoys to be sufficiently large for warping buoys; and that old broken anchors be obtained with chain moorings, to be placed in two parallel lines within the said boundaries, and that proper but simple regulations be established for the use of them; and of which foreign vessels could be permitted to avail themselves, on promising to conform to regulations, and to pay the usual fees for that accommodation.

The following is a rough estimate of the probable expense of the arrangements more immediately required for the advantage of trade resorting to Shanghae:

| | *Dollars.* |
|---|---|
| No. 2. Junk complete for service - - - - - - | 1,500 |
| Hire per annum of suitable crew - - - - | 360 |
| No. 3. One beacon 50 feet high - - - - - - | 300 |
| No. 4. One beacon 40 feet high - - - - - - | 200 |
| No. 5. One pole at Paushan - - - - - - - | 150 |
| No. 6. Three poles, and putting up | |
| One square mark under the poles - - - - - | 40 |

The transporting or warping buoys, with their moorings, can easily be estimated for at Hong Kong, and should be prepared there.

The Chinese authorities will, I understand, guarantee the protection from injury of the different marks, when once they are erected.

(signed) *Thomas Cochrane,*
Rear-Admiral.

Vixen, at Chusan, 2 January 1846.

## Appendix, No. 10.

Appendix, No. 10.

Draft of an Instruction to Lord Napier.

A DRAFT of an INSTRUCTION for the Guidance of Lord *Napier*, in his Judicial Capacity as Chief Superintendent in *China*; prepared by the Right Honourable Sir *Alexander Johnston*, and submitted by him to the then Secretary of State for Foreign Affairs.

1. THE Government have two objects principally in view in vesting you with a criminal jurisdiction. The first is, by giving you the power of legally superintending and controlling the conduct of all British subjects in China, to enable you to keep up amongst the Chinese a proper degree of respect for the British character, and thereby facilitate the intercourse between Great Britain and China, and increase the British trade in that part of the world.

2. The second is, by giving you the power of trying and acquitting, or convicting and punishing, as the case may be, upon the spot, any British subject who may be accused by the Chinese government of having committed an offence upon the person of a Chinese subject, to satisfy the Chinese government the British Government do not wish to screen their subjects, if really guilty, from punishment, but merely to provide that before they are punished for an offence they shall have been carefully tried and found guilty of that offence.

*Note to Paragraph* 2.

Sir George Staunton (*see* the Ninth Resolution proposed by him to the House of Commons) is clearly of opinion, that the establishment of such a British criminal jurisdiction at Canton will satisfy the Chinese government and the Chinese people, and prevent the recurrence of those disputes which have so often occured between the British authorities in China and the local government, on the occasion of any British subject being charged by the Chinese government with having committed homicide upon the person of a Chinese subject; and it was with this view that Sir George Staunton, who had consulted me on the question, on my advice, proposed to the House of Commons, in his Ninth Resolution, the establishment by Act of Parliament of such a British criminal jurisdiction at Canton as used formerly to be exercised in our colonies by the governors and certain other persons named in a commission, under the Act of King William the Third, for the trial of piracies and other offences committed on the high seas. The late Dr. Morrison, with whom I had much conversation on the subject when he was last in England, was, after a very long residence in China, and a careful consideration of the Chinese character, of the same opinion with Sir George Staunton upon this point; and I am led to the same conclusion as those gentlemen, by an attentive inquiry into the conduct observed by the Chinese government, as well in the case of the Topaz frigate as in all the other cases of homicide said to have been committed by foreigners upon Chinese subjects, from the year 1689 to the present period.

*Note to Paragraph* 3.

As I was anxious some years ago, while in Ceylon, in consequence of a reference which had been made to me on the subject, to ascertain in what manner the Portuguese court proceeded in charges of homicide, and of other offences brought by Chinese subjects against Portuguese subjects, I procured a good deal of information upon this point from Goa and Macao, and had a note sent me of all cases of homicide and other offences committed by Portuguese upon Chinese subjects, which had come before the Portuguese court at Macao, from the period of its first establishment to the year 1816; since then I have learnt the particulars of the more recent case of the black Portuguese slave, alluded to in p. 313 of Auber's China, who was tried and convicted of the murder of a Chinese, before the Portuguese court at Macao, and publicly executed at that place under

3. It appears, on a reference to the proceedings of the Portuguese court of justice at Macao, that the Chinese government, knowing that court to be a royal court, and to be vested by the Portuguese government with the highest powers of criminal justice, have, although they have a Chinese tribunal of their own at Macao for the trial of all Chinese subjects, always acquiesced in the right of the Portuguese court to try all Portuguese subjects charged with having committed offences upon Chinese subjects. It is therefore understood that the Chinese government, when it is explained to them that the court in which you preside is a royal court, and that it is vested with the highest powers of criminal justice, will, although they have tribunals of their own at Canton to try their own subjects, readily acquiesce in the right of the British court to try at Canton

under the sentence of that court; and also the particulars of a case in which another Portuguese subject was executed for a similar offence, at the same place and under a sentence of the same court, within the last three years. From all the information which I have derived from the different sources to which I have alluded, I have no doubt whatever that the Chinese government have always tacitly acquiesced in the right of the Portuguese court at Macao to try and punish Portuguese subjects accused of having committed offences upon Chinese subjects; and that they will also, if the British Government have a court at Canton for the trial of offences committed by British subjects upon Chinese subjects, readily acquiesce in its decisions.

Canton all British subjects who may be charged with having committed any offence upon a Chinese subject.

*Note to Paragrah* 4.

1st. This enumeration of the offences, and of the punishments which are to be attached to them, must be settled at a consultation with the law officers of the Crown.

2d. The form of proceeding may be made similar to that directed to be observed in Ceylon in criminal cases, by his Majesty's Charter of Justice in 1801.

3. This summary may be made similar to that contained in the code of laws drawn up for the State of Louisiana, by Mr. Livingston, the present American Minister at Paris.

4. That the Chinese government and the Chinese people may easily understand and readily acquiesce in the justice and utility of the proceedings of your court, I send you for your guidance in the exercise of your criminal jurisdiction the annexed instruction. It contains,

First. An enumeration of the different offences which you are to try, and of the different punishments which you are to attach to those offences.

Second. The form of proceedings which you are to observe in arresting and trying all British subjects who may be accused before you of having committed any of those offences.

Third. A summary of the rules of evidence which are adopted by the most enlightened courts of judicature for guiding them in their inquiries into the truth of a criminal charge.

*Note to Paragraph* 5.

With a view to this point, I have read and carefully considered Sir G. Staunton's English translation of the criminal code of China, and of the moral maxims of the Chinese. From these works I conclude that there will be little difficulty in making the Chinese government understand and acquiesce in the general principles of justice upon which this instruction is founded; and I am confirmed in this opinion by a perusal of all the different works which have been published upon the subject by the Jesuit missionaries who resided so long in China, and who studied so attentively the Chinese character. Much valuable information upon this question may be derived from the Asiatic Department at St. Petersburgh, and from the works of the different Russian missionaries who have from time to time been stationed in the Russian college at Pekin, particularly from those of the Greek Archimandrite Hyacinthe, copies of which the late Emperor of Russia, Alexander, at my request, sent me for the Royal Asiatic Society of Literature in England, through Prince Lieven.

5. This instruction is founded upon those general principles of justice which are acknowledged by all civilized people, and which are applicable to all civilized countries; it is short, clear, and divested of all technical terms, in order that it may easily be translated into the Chinese language, and easily understood by the Chinese government and the Chinese people.

6. You will have a translation of it made into the Chinese language, and laid before the Chinese government, with a request from you that they will let you know as soon as they can such observations as may occur to them upon its provisions, and with an assurance from you that you will, after a careful consideration of those observations, transmit them with your remarks to the British Government.

*Note to Paragraph* 7.

The late Lord Guilford and the late Sir Thomas Maitland, the former in 1802 and the latter in 1805, had each of them when they were appointed governors of Ceylon, such a commission directed to them, to the chief justice in the colony for the time being, and to such other persons as were therein described, authorizing them to try, without a jury, the offence of piracy and all other offences

7. The Legislature has, out of consideration for the feelings which are so natural to Englishmen in every part of the world, directed the British Court at Canton to try all British subjects accused of having committed offence in China, with a jury; should it, however, appear that the smallness of the number of British subjects in that part of the world, and other local circumstances peculiar to the country,

Appendix, No. 10.

Draft of an Instruction to Lord Napier.

fences committed by British subjects on the high seas. The commission of Sir Thomas Maitland was revoked in 1810, in consequence of my representing to the King in Council, when I was about to proceed to Ceylon as Chief Justice and President of His Majesty's Council in that island, that the Act of King William, under which the commission had been issued, was repealed, and that the commission was no longer legal; and a new commission was issued to the Governor in 1811, under the new Act, authorizing him and the other commissioners to try murders, piracies, and all other offences committed on the high seas, with a grand and petty jury.

*Note to Paragraph* 8.

With a view to the point, I have examined all the different civil jurisdictions which have from time to time been given to the consuls of different European nations, and particularly the civil jurisdiction at present exercised by the Portuguese court at Macao, and think that there can be no difficulty whatever in forming, should it be required, a short instruction for the guidance of the chief superintendent in the exercise of his civil jurisdiction.

*Note to Paragraph* 9.

If the instructions which may from time to time be sent out to the chief superintendent for his guidance in his judicial jurisdiction be precise, and drawn up in plain terms, the persons who from time to time fill that situation may, I am convinced, though not professional men, execute their judicial powers without the assistance of any professional man.

country, may render it often very difficult to obtain an independent or impartial jury, you will communicate upon the question with all the British subjects at Canton and Macao, and report to this office whether they think it will be advisable to alter the mode of trial prescribed by the Act, and in future to try British subjects in China without a jury, and under a commission similar to the one which used before the year 1806 to be issued under the Act of William the Third, to the governors of the several English colonies, for the trial of piracies and other offences committed on the high seas.

8. As it may seem advantageous to the interest of the British at Canton that the chief superintendent should have a civil as well as a criminal jurisdiction, you will, after consultation with all the British subjects at Canton, report to this Office the result of their opinion upon this question, explaining at the same time, should it be necessary, the nature of the civil jurisdiction with which they would wish the chief superintendent to be vested.

9. The Government are particularly anxious that the proceedings before your court should be clear and intelligible, as it wishes to avoid the necessity of adding to the expense of the present establishment in China by the appointment of any professional gentleman to act as the legal adviser of the chief superintendent in the exercise of his judicial powers.

# ANALYSIS OF INDEX.

ALPHABETICAL and CLASSIFIED LIST of the PRINCIPAL HEADINGS in this INDEX, with the Paging at which they will be respectively found.


Page.

*AD VALOREM DUTY* - - - - - 1
*Rated duty* - - - - - - - 45
*Adulteration of tea* - - - - - - 1
*America* - - - - - - - - - 1
*British manufactures*, 3 - - - - - 6
*British residents*, 7 - - - - - 8
*Camlet trade* - - - - - - 10
*Opium trade* - - - - - - 40
*Treaties* - - - - - - - 57
*United States* - - - - - - 58
*Amoy* - - - - - - - - - - 2
*Assam tea* - - - - - - - - 2
*Supply of tea* - - - - - - 55
*Barter trade* - - - - - - - 4
*High-priced teas* - - - - - - 23
*Silk* - - - - - - - - 52
*Bengal* - - - - - - - - - 5
*Opium trade*, 4 - - - - - - 41
*Black tea* - - - - - - - - 5
*Green tea* - - - - - - - 22
*Manufacture of tea* - - - - - 31
*Tea trade* - - - - - - - 56
*Bohea tea* - - - - - - - - 5
*Germany* - - - - - - - - 20
*Bombay* - - - - - - - - - 5
*Opium trade*, 4 - - - - - - 41
*Bonding system* - - - - - - - 5
*Manchester* - - - - - - - 31

*BRITISH MANUFACTURES:*

1. *Generally* - - - - - - - 6
2. *Opinion that the loss of our trade arises from the difficulty of getting returns* - 6
3. *Increase anticipated in the demand of our manufactures if the duty on tea were reduced* - - - - - - - 6
4. *Doubts expressed on this subject* - - 6
5. *Papers laid before the Committee* - - 6

*Barter trade* - - - - - - - 4
*Camlet trade* - - - - - - - 10
*Cash payments* - - - - - - - 10

Page.

*BRITISH MANUFACTURES*—continued.

*China trade* - - - - - - - 10
*Chinese peasantry* - - - - - - 11
*Consumption of tea*, 3 - - - - - 13
*Cotton trade* - - - - - - - 14
*Duty on tea* - - - - - - - 16
*Exports* - - - - - - - - 18
*Gray shirtings* - - - - - - - 22
*Hong Kong*, 4 - - - - - - - 25
*Native produce* - - - - - - - 38
*Opium trade* - - - - - - - 40
*Over-trading* - - - - - - - 42
*Shang-hai* - - - - - - - - 52
*Shirtings* - - - - - - - - 52
*Sycee silver* - - - - - - - 55
*Woollen trade* - - - - - - - 60

*BRITISH RESIDENTS IN CHINA:*

1. *Restrictions imposed upon British subjects at Canton; ill-feeling manifested by the population towards them* - - - 7
2. *Opinions that this arises from the weakness of the Government, and not from indisposition on their part to protect the British residents* - - - - - 7
3. *How far the Government have exercised the power they do possess for their protection; suggestions with respect to the protection of British subjects* - - 7
4. *Ill-feeling of the inhabitants of Hong Kong towards foreigners* - - - 7
5. *Better feeling manifested by the population of Shang-hai towards foreigners* - - 8
6. *Kind conduct of the inhabitants of the north of China towards foreigners* - 8
7. *How far a more favourable feeling exists in China towards the Americans than towards the English* - - - - 8
8. *Necessity for some restrictions on the liberty of foreign subjects* - - - - 8
9. *Papers laid before the Committee* - - 8

*Chinese language* - - - - - - 11
*Consular regulations* - - - - - 13
*Cumsingmoon* - - - - - - 16
*Hong Kong*, 3 - - - - - - 24
*Namoo* - - - - - - - - 38

Page.

*British vessels* - 8
*Consular regulations* - 13
*Imports* - 27
*Camlet trade* - 10
*Canton* - 10
*British residents in China*, 1 - 7
*Cumsingmoon* - 16
*Hong Kong*, 2. 3 - 24
*Manufacture of tea* - 31
*Piracy* - 42
*Police* - 42
*Post-office regulations* - 42
*Treaties* - 57
*Cash payments* - 10
*America* - 1
*Barter trade* - 4
*Opium trade*, 6 - 41
*Silk* - 52
*Character of the Chinese* - 10

CHINA TRADE:

1. *Present distressed state of the trade* - 10
2. *Suggestions as to the mode by which it might be revived* - 11

*America* - 1
*Barter trade* - 4
*British manufactures* - 6
*Camlet trade* - 10
*Canton* - 10
*Chusan* - 12
*Commission trade* - 12
*Competition* - 12
*Consumption of tea*, 3 - 13
*Cotton trade* - 14
*Cumsingmoon* - 16
*Duties* - 16
*Duty on tea* - 16
*East India Company* - 18
*Exports* - 18
*Hong Kong* - 24
*Manchester* - 31
*Opium trade* - 40
*Price of tea* - 43
*Shang-hai* - 52
*Singapore* - 53
*Tea trade* - 56
*Treaties* - 57
*Woollen trade* - 60
*Chinese government* - 11
*British residents in China*, 2. 3 - 7
*Opium trade*, 8 - 42
*Treaties* - 57
*Chinese language* - 11
*Chinese peasantry* - 11
*British manufactures*, 1 - 6
*Character of the Chinese* - 10

Page.

*Chusan* - 12
*Coasting trade of China* - 12
*Hong Kong*, 3 - 24
*Junk trade* - 27
*Coffee* - 12
*America* - 1
*Consumption of tea*, 2 - 13
*Duty on tea*, 6 - 17
*Competition* - 12
*America* - 1
*Camlet trade* - 10
*Congou tea* - 13
*Bohea tea* - 5
*Consular regulations* - 13
*Consuls* - 13

CONSUMPTION OF TEA:

1. *Generally* - 13
2. *Effect of the present high rate of duty on the consumption* - 13
3. *Opinions that a reduction of the duty would materially increase the consumption* - 13
4. *Evidence to show that an increased consumption has always followed lowness of price* - 14
5. *Consumption of tea in China and other foreign countries* - 14

*Agricultural districts* - 1
*America* - 1
*Australia* - 2
*Barter trade* - 4
*British manufactures*, 3 - 6
*China trade*, 2 - 11
*Chinese peasantry* - 11
*Coffee* - 12
*Duty on tea* - 16
*Germany* - 20
*Green tea* - 22
*Native produce* - 38
*Price of tea*, 2. 3. 4 - 43
*Revenue* - 47
*Scotland* - 51
*Sugar* - 55
*Supply of tea* - 55
*Tea trade* - 56
*Cotton trade* - 14
*British manufactures*, 2. 3 - 6
*Exports* - 18
*Over-trading* - 42
*Woollen trade* - 60
*Cultivation of tea* - 15
*Manufacture of tea* - 31
*Supply of tea* - 55
*Cumsingmoon* - 16

Page.

*Duties:*
- 1. *England* - 16
- 2. *China* - 16
- *Camlet trade* - 10
- *Tonnage duties* - 57
- *Transit duties* - 57

*Duty on Tea:*
- 1. *Injurious effects of the high rate of duty on tea; complaints which have been made on the subject* - 16
- 2. *Suggestions as to the amount to which the duty might be reduced beneficially to the public; a reduction to 1 s. a pound recommended* - 17
- 3. *Opinion that the duty falls peculiarly heavy upon the consumer* - 17
- 4. *Objection to any reduction of the duty on tea* - 17
- 5. *Export duty in China* - 17
- 6. *Papers laid before the Committee* - 17
- *Adulteration of tea* - 1
- *Ad valorem duty* - 1
- *Barter trade* - 4
- *Bohea tea* - 5
- *British manufactures*, 3 - 6
- *China trade*, 2 - 11
- *Consumption of tea*, 2. 3 - 13
- *Exports* - 18
- *Man*, Isle of - 31
- *Manchester* - 31
- *Native produce* - 38
- *Native shipments* - 38
- *Price of tea* - 43
- *Rated duty* - 45
- *Revenue* - 47
- *Scotland* - 51
- *Sugar* - 55
- *Supply of tea* - 55
- *Tea trade* - 56
- *Thom*, Mr. - 57
- *Transit duties* (China) - 57
- *Woollen trade* - 60

*East India Company* - 18
- *Bohea tea* - 5
- *Congou tea* - 13
- *Duty on tea*, 2 - 17
- *Imports* - 27
- *Malwa opium* - 31
- *Opium trade*, 4 - 41
- *Sycee silver* - 55
- *Tea trade* - 56
- *Woollen trade* - 60

*Exports* - 18
- *British manufactures*, 2 - 6
- *Camlet trade* - 10
- *China trade* - 11
- *Cotton trade* - 14
- *Duty on tea*, 1 - 16

Page.

*Exports*—continued.
- *East India Company* - 18
- *Hardware* - 23
- *India* - 27
- *Silk* - 52
- *Tea* - 56
- *Woollen trade* - 60

*France* - 19
- *British residents in China*, 7 - 8
- *Opium trade*, 7 - 41
- *Treaties* - 57

*Government officers* - 22

*Green tea* - 22
- *Manufacture of tea* - 31

*High priced teas* - 23

*Hong Kong:*
- 1. *Generally* - 24
- 2. *Former prosperous state of the colony; expectations formed that it would become a place of great trade* - 24
- 3. *Decay of the colony; circumstances which have led to this state of affairs* - 24
- 4. *How far its prosperity might be restored; way in which this might in part be accomplished* - 25
- 5. *Unsatisfactory and prejudicial manner in which the revenue of the colony is raised; suggestions as to the mode in which it should be raised* - 26
- 6. *Papers relative to Hong Kong laid before the Committee* - 26
- *Americans* - 1
- *Bonding system* - 5
- *British residents in China*, 4 - 7
- *Cumsingmoon* - 16
- *Fisheries* - 19
- *Junk trade* - 27
- *Macao* - 30
- *Namoo* - 38
- *Navigation laws* - 38
- *Opium trade* - 40
- *Piracy* - 42
- *Police* - 42
- *Portuguese* - 42
- *Post-office regulations* - 42
- *Provision markets* - 44
- *Quarries* - 45
- *Registration system* - 46
- *Sales of land* - 48
- *Salt* - 50
- *Shang-hai* - 52
- *Taxation* - 56
- *Treaties* - 57

*Importers of tea* - 26
- *Ad valorem duty* - 1

Page.

*Imports* - - - - - - - - - 27
*China trade*, 1 - - - - - - 10
*East India Company* - - - - - 18
*Salt* - - - - - - - - - 50
*Silk* - - - - - - - - - 52
*Sugar* - - - - - - - - - 55

*India* - - - - - - - - - - 27
*Bengal* - - - - - - - - 5
*Bombay* - - - - - - - - 5
*Cotton trade* - - - - - - - 14
*East India Company* - - - - - 18
*Opium trade*, 4 - - - - - - 41

*Junk trade* - - - - - - - - 27
*Singapore* - - - - - - - - 52

*Labouring classes* - - - - - - - 28
*Ad valorem duty* - - - - - - 1
*Bohea tea* - - - - - - - 5
*Congou tea* - - - - - - - 13
*Consumption of tea*, 1 - - - - - 13
*Duty on tea*, 3 - - - - - - 17

*Macao* - - - - - - - - - 30
*Bonding system* - - - - - - 5
*Cumsingmoon* - - - - - - 16

*Manufacture of tea* - - - - - - 31
*Green tea* - - - - - - - 22
*Quality of teas* - - - - - - 45

*Municipal administration* - - - - - 37
*Hong Kong*, 4 - - - - - - 25

*Native produce* - - - - - - - 38
*Barter trade* - - - - - - - 4
*British manufactures*, 2 - - - - - 6
*China trade* - - - - - - - 10
*Duty on tea*, 2 - - - - - - 17
*Poppy* - - - - - - - 42
*Silk* - - - - - - - - - 52

*Native shipments* - - - - - - - 38

*Opium* - - - - - - - - - 40

*Opium Trade:*
1. *Prejudicial effect of the opium trade alike to our political and commercial relations with China* - - - - - - 40
2. *Opinion that the opium trade is not prejudicial to our commerce* - - - 40
3. *Injury inflicted on the colony of Hong Kong by the system of farming the opium* - - - - - - - 40
4. *Evidence generally as to the East India Company's trade in opium* - - - 41
5. *Evidence as to the prices and qualities of opium* - - - - - - - 41
6. *Mode in which the payments for opium are made* - - - - - - - 41
7. *How far any check might be put upon the trade; whether such check would be beneficial* - - - - - - - 41

Page.

*Opium Trade*—continued.
8. *Probability of the trade being legalized in China* - - - - - - - 42

*Bonding system* - - - - - - - 5
*Cumsingmoon* - - - - - - - 16
*Hong Kong*, 3 - - - - - - - 24
*Malwa opium* - - - - - - - 31
*Poppy* - - - - - - - - - 42
*Smuggling* - - - - - - - - 54
*Sycee silver* - - - - - - - 55

*Over-trading* - - - - - - - - 42
*Barter trade* - - - - - - - 4

*Pekin* - - - - - - - - - 42

*Piracy* - - - - - - - - - 42

*Police* - - - - - - - - - 42
*Hong Kong*, 3 - - - - - - - 24
*Registration system* - - - - - 46
*Singapore* - - - - - - - - 52

*Post-office regulations* (Hong Kong) - - - 42

*Price of Tea:*
1. *Cost of tea; price thereof; fluctuations in the price* - - - - - - 43
2. *Opinions that an increase of consumption in this country would not materially affect the price in China* - - - - 43
3. *Increased consumption to be expected from a reduction of price* - - - - 43
4. *How far the consumer would benefit by a reduction of duty* - - - - 43
5. *Papers laid before the Committee* - - 44

*China trade*, 2 - - - - - - 11
*Coffee* - - - - - - - - 12
*Congou tea* - - - - - - - 13
*Consumption of tea*, 2. 4 - - - - - 13
*Duty on tea* - - - - - - - 16
*East India Company* - - - - - 18
*Public sales of tea* - - - - - - 44
*Russia* - - - - - - - - 48
*Tea trade* - - - - - - - 56

*Provision markets* - - - - - - - 44
*Hong Kong*, 3 - - - - - - 24
*Price of provisions* - - - - - - 42

*Public sales of tea* - - - - - - 44

*Punishments* - - - - - - - - 44

*Quality of teas* - - - - - - - - 45

*Rated duty* - - - - - - - - - 45

*Registration system* - - - - - - - 46
*Macao* - - - - - - - - - 30

Page.

*Revenue:*
1. *England* - 47
2. *China* - 47
*Ad valorem duty* - 1
*Duty on tea*, 3. 4 - 17
*Hong Kong*, 1. 3. 5 - 24
*Tea trade* - 56

*Sales of Land:*
1. *Injurious effect of the mode in which land has been sold in Hong Kong; remonstrance made to the Home Government on the subject* - 48
2. *Particulars as to the sale of lands in Hong Kong under Captain Elliot in* 1841; *complaints made that the Home Government have not fulfilled the conditions of such sale* - 48
3. *Also particulars as to the sales of land under Sir Henry Pottinger in* 1844; *steps taken by the Home Government as regards those sales* - 49
4. *Manner in which the land was disposed of in Singapore* - 50
5. *Papers laid before the committee* - 50

*Hong Kong*, 3 - 24

*Salt* - 50
*Hong Kong*, 3 - 24

*Shang-hai* - 52
*Barter trade* - 4
*British residents in China*, 5. 8 - 8
*Canton* - 10
*Chusan* - 12
*Internal communication* - 27
*Opium trade*, 6. - 41
*Silk* - 52
*Supply of tea* - 55
*Sycee silver* - 55

*Siam* - 52

*Silk* - 52
*China trade*, 2 - 11
*Hong Kong*, 2 - 24
*Imports* - 27
*Native produce* - 38
*Opium trade*, 6 - 41
*Sycee silver* - 55

*Singapore* - 53
*Amoy* - 2
*Crown lands* - 15
*Hong Kong*, 5 - 26
*Sales of land*, 4 - 50

*Smuggling* - 54

*Sugar* - 55
*Duty on tea*, 6 - 17
*Native produce* - 38

*Supply of tea* - 55
*China trade*, 2 - 11
*Consumption of tea*, 2 - 13
*Price of tea*, 2 - 43
*Shang-hai* - 52
*Tea* - 56

*Sycee silver* - 55
*Native produce* - 38
*Opium trade* - 40
*Silk* - 52

*Tea* - 56
*Assam tea* - 2
*Black tea* - 5
*Bohea tea* - 5
*Canton* - 10
*China trade*, 1 - 10
*Chinese peasantry* - 11
*Coffee* - 12
*Congou tea* - 13
*Consumption of tea* - 13
*Cultivation of tea* - 15
*Duty on tea* - 16
*Green tea* - 22
*Hyson tea* - 26
*Imperial tea* - 26
*Native produce* - 38
*Opium trade*, 6 - 41
*Price of tea* - 43
*Quality of teas* - 45
*Russia* - 48
*Shang-hai* - 52
*Silk* - 52
*Stock of tea* - 54
*Supply of tea* - 55

*Tea trade* - 56
*Barter trade* - 4
*British manufactures*, 2 - 6
*Canton* - 10
*China trade*, 1 - 10
*Exports* - 18
*Native shipments* - 38
*Opium trade* - 40
*Price of tea* - 43
*Public sales of tea* - 44
*Quality of teas* - 45
*Russia* - 48
*Shang-hai* - 52
*Stock of tea* - 54
*Sugar* - 55
*Supply of tea* - 55

*Transit duties* - 57

Page.

*Treaties* - - - - - - - - - 57
*British residents in China*, 1. 8 - - - 7
*Chusan* - - - - - - - - - 12
*Cumsingmoon* - - - - - - - 16
*Duties* - - - - - - - - - 16
*Hong Kong*, 2. 4 - - - - - - - 24
*Junk trade* - - - - - - - - 27

*United States* - - - - - - - - 58

*Woollen Trade*:

1. *Decline in the woollen trade with China; causes to which this may be attributed* - 60

Page.

*Woollen Trade*—continued.

2. *Suggestions as to the means by which the trade may be revived* - - - - 60
3. *Competition of foreign countries with England in the manufacture of woollens, and in the trade with China* - 61
4. *Papers laid before the Committee* - - 61

*British manufactures*, 2. 3 - - - - 6
*Exports* - - - - - - - - 18
*Over-trading* - - - - - - - - 42
*Shang-hai* - - - - - - - - 52
*Transit duties* - - - - - - - 57

# INDEX.

[*N.B.*—In this Index the Numerals following *Rep.* refer to the Page of the Report; the Figures following the Names of the Witnesses to the Questions of the Evidence; and *App.* to the Page of the Appendix.]

A.

*AD VALOREM DUTY.* We cannot well revert to anything like an *ad valorem* duty on tea, *Sir G. Larpent* 24——Mr. M'Culloch advocates an *ad valorem* duty, *ib.*——Extract from Mr. Fortune's recent work, which altogether precludes the possibility of it, *ib.* 24-30——Objections urged against it, *Gregson* 177-204; *Brodribb* 1770. 1794-1796; *Christie* 4080-4089——Witness agrees to a great extent with Sir George Larpent as to the inconvenience of *ad valorem* duties, *Nicol* 388——Difficulty of resorting to an *ad valorem* duty on tea, *Farbridge* 1054-1061——Impracticability of resorting to an *ad valorem* duty; how far it has already been tried and with what result; enumeration of some of the difficulties which would arise under such duty, *Turner* 1105-1119.

The revenue derived in 1833 from tea at the *ad valorem* duty was 3,444,102 *l.*; in 1846, at 2 *s.* 2 ½ *d.*, the revenue was 5,115,898 *l.*, *G. Moffatt* 1128——Nature of witness's objections to an *ad valorem* duty; it would not be advisable to substitute it for a fixed duty, because it is impracticable to do so with justice to the revenue and to the importer, *ib.* 1234-1260——Evidence to show that an *ad valorem* duty would not be beneficial to the working classes, that is, a low duty on a low tea; they generally consume the middling and better kinds of tea, *Law* 1482-1486——An *ad valorem* duty might be easily levied, but would be objectionable on account of the opposition to it on the part of the tea trade, *Crawfurd* 2456-2485——Impracticability of an *ad valorem* duty on tea; reasons for forming the opinion that an equal duty on all qualities of tea does not operate as a hardship on the lower classes of the people, *Winch* 2955-2987. 2992-3019——The tea brokers have an interest in keeping an uniform duty, as it relieves them from a great deal of unfair anxiety and responsibility in carrying out their duty to the merchant, *R. Moffatt* 3433——Beyond this they have no interest in the amount of duty levied, *ib.*

Arguments in favour of a fixed duty in preference to an *ad valorem* duty, *Sir G. Larpent* 33-44. 109, 110; *Robberds* 1640, 1641——A fixed duty would be the best; an *ad valorem* duty would not work at all, *White* 1456-1458——A fixed duty is the only thing that can be perfectly satisfactory; the only question is at what rate it shall be fixed, *Turner* 1120——An *ad valorem* duty on tea of the different classes would be preferable to an uniform duty, *Crawfurd* 2420-2423——The collection of a specific duty is the most easy, but still witness would prefer an *ad valorem* duty; reasons for this, *Brown* 4716.——*See* also *Rated Duty.*

*Adulteration of Tea.* There is not much adulteration of tea in country shops, *Bazley* 896, 897; *G. Moffatt* 1271——The adulteration takes place before they become purchasers of it, *Bazley* 896, 897——There is no check upon the adulteration of tea; opinion that there is very little adulteration, *G. Moffatt* 1266-1269——The lowering of the value of tea would furnish the best security against adulteration, *ib.* 1272——The high duty holds out a great temptation to adulteration, *Robberds* 1556-1558; *Brodribb* 1772-1778. 1790-1793.

*Agricultural Districts.* In the agricultural districts the probability is that the consumption of tea would be greatly increased by a reduction of duty, *White* 1437-1445. 1450-1452. 1459, 1460.

*America.* Evidence with respect to the competition of America with this country in the China trade, *Nicol* 373-381——In disposing of their importations in China the merchants find a little competition from the American "domestics," *Gibb* 591. 594-599——The Americans have no further advantage over the British merchants in dealing with China than that they have a greater command of hard cash in going into the market; they get their supply of cash from the opium trade, *ib.* 600-610——The only obstacle to the further expansion of the China trade, as regards the competition of foreign manufactures, will be America, and this will only be in heavy goods, such as cotton twills and heavy domestics, *Farbridge* 960-974——With regard to the comparative consumption of tea in this country and in America, witness would observe that the American taste is for coffee, *Brown* 4716——Copy of a treaty of amity and commerce between the King of Siam and the United States of America, concluded 20 March 1833,

Report, 1847—*continued.*

*America*—continued.

1833, *App.* 461——Imports into the United States from China, from 1 July 1845 to 30 January 1846, *ib.* 508——Exports from the United States to China, from 1 July 1845 to 30 June 1846, *ib.* 509.

See also *British Manufactures*, 3. *British Residents*, 7. *Camlet Trade*. *Opium Trade*. *Treaties*. *United States*.

*Americans*. There are no Americans at Hong Kong; they are all at Macao, *Gibb* 815.

*See* also *British Residents*, 7.

*Amoy*. Observations of the Committee on the increasing trade of Amoy, *Rep.* viii——General character of the trade from Amoy carried on by the Chinese with Singapore, *Buchanan* 469-474——Amoy is likely to become a place of great trade, *Farbridge* 1014-1016——Amoy is not likely to become an important port for trade, *Braine* 4796-4798.

*Army of China*. Estimate of the standing army of China; amount of the soldier's weekly pay, *Balfour* 4412-4416.

*Assam Tea*. Witness is afraid that the Assam tea will turn out a failure, *Sigmond* 3546, 3547——The great watchfulness produced by Assam tea must always prove an objection to it, *ib.* 3548, 3549. 3582, 3583.——*See* also *Supply of Tea*.

*Australia*. The consumption of tea, per head, is about 10 times as much as it is in this country, *Gregson* 215, 216.——*See* also *Consumption of Tea*, 5. *Shang-hai*.

B.

*Balfour*, Captain *George* (Madras Artillery). (Analysis of his Evidence.)—Was consul at Shang-hai for three years, 4314*-4316——Treaties and tariff under which our commercial arrangements with the Chinese empire are conducted, 4317——There is the treaty of Nankin, and the tariff which was established in the country in 1843; 4317——There is the American treaty of commerce and the French one, with slight modifications in the tariffs, effected by those nations; nature of these modifications, 4317-4323.

Arrangements witness made at Shang-hai for the residence of the merchants and their families, and defining the limits in accordance with the treaties, 4324-4326——The limit allowed to foreigners to go into the interior is an absence of twenty-four hours, which will enable them to travel about thirty miles, 4325——Reasons for forming the opinion that it is quite requisite to have some restriction upon the liberty of foreign subjects, 4326-4328——Generally speaking, witness was satisfied with the conduct of the Chinese at Shang-hai towards foreigners, 4329, 4330——There is a marked difference in their conduct at Canton; causes to which this difference may be attributed, 4331-4334——The state of affairs at Canton at the present time is much worse than it was during the Company's time; cause to which this may be attributed, 4335. 4337, 4338——The people in the north of China have no feeling of hostility towards foreigners, 4336.

Evidence as to the internal duties levied in China on imports and exports, independently of the duties payable at the maritime custom-house, 4339-4358——The custom-house duties are all paid in silver; the land tax is paid in copper cash, 4359——The fact that an Honourable Member of this Committee has made an excellent translation of the laws of China (comprised in forty-five volumes), in one quarto volume in English, shows that their fiscal regulations are really not very voluminous, 4360——Form in which revisions of the commercial laws respecting duties levied take effect; functions of the Revenue Board; power possessed by the British consul in these cases, 4361-4371.

Districts in which the green and black teas are obtained for home consumption, and distance of these districts from Shang-hai; the same districts supply tea for export and for home consumption, 4372-4385——Reasons for forming the opinion that the quantity of tea exported must be very small compared with the quantity required for home consumption, 4385——There are no means of knowing what quantity of tea is grown in the western parts of China, 4385, 4386——No European has penetrated to those parts except the Catholic missionaries, who have not published anything with reference to this question, 4386.

The disadvantage of Canton is, that the teas arrive there only once a year; at Shang-hai they are brought at different periods during the year, 4387-4397——The tea plantations in China are usually held in small properties, 4398——The opium trade, as far as the English are concerned, is merely that vessels bring opium to Hong Kong, and it is transferred into smaller vessels which convey it along the coast; witness's opinion is that it is shipped on account of merchants in this country and in India, 4399-4401——It used formerly to be paid for entirely in sycee silver, but is now partly paid for in silk, 4402-4406.

The treaty, as it has been passed between England and China, is a remarkable instance of success, 4407, 4408——Evidence respecting the canal communication in China, 4409-4411. 4420-4427——Witness considers that the extent to which foreigners are permitted

Report, 1847—*continued.*

*Balfour,* Captain *George* (Madras Artillery). (Analysis of his Evidence)—*continued.*

permitted to visit the interior of the country is sufficient for the present, 4409. 4417-4419. 4433-4437——Estimate of the standing army of China; amount of the soldier's weekly pay, 4412-4416——Particulars respecting the Chinese revenue, and sources from which derived; difficulty of ascertaining the gross revenue, 4428-4432——How far instances have occurred in which, owing to the conduct of British subjects, the trade with China has been interfered with; instance at Foo-chow-foo, 4438-4442——Probable reasons why a more favourable impression exists among the Chinese towards the Americans than towards the British, 4443——The Canton people have always been noted in China as a turbulent race; they resisted the Tartar dynasty more than any other part of China, 4444.

Cases connected with the opium trade which have come under witness's cognizance in his official capacity; course pursued by witness in these cases, 4445-4450——There is a tacit recognition of the difficulty of dealing with the question, 4451——Witness does not entertain any expectation of the opium trade being formally legalized by the present Emperor; the present state of the trade is more profitable, 4451-4458——There was formerly some trade at Chusan; it ceased entirely when Shang-hai was opened; the restoration of Chusan has been no sacrifice, 4459-4462. 4473-4479.

As far as we send goods in return for teas Shang-hai will necessarily be the great emporium of the China trade, on account of the demand for our manufactures being so great at Soo-Choo, 4465——Alteration which has taken place in the coasting trade since Shang-hai has become the depôt for British goods, 4466——State of the trade between Shang-hai and the Japan Islands, 4467——Also between Australia and Shang-hai, 4468, 4469——And between Shang-hai and the islands of the Pacific, 4470——Intercourse of Shang-hai with Hong Kong, 4471, 4472——Witness fears very much that Hong Kong will not be a place of great trade; impracticability of removing the tea and silk trade from Canton to Hong Kong, 4480, 4481.

Witness is not aware of any considerable or commodious place of trade north of Shang-hai which it would be desirable to open to British commerce, 4482, 4483——Nature of the Russian establishment at Pekin, 4484-4492——There would be no advantage in our possessing an establishment there under suitable limits, 4487——Whether the treaty of Nankin is fulfilled in the same degree at Canton as at Shang-hai; complaints which have been made as to the severe restrictions at Canton as regards foreigners, 4493-4504——Opinion that the presence of an armed steamer opposite the factories at Canton would be offensive to the Chinese; this should be avoided till it is found that the Chinese government will not give protection, 4505-4509.

Witness would wish to see Hong Kong considered as the centre of our political relations with China, 4510, 4511——Witness looks upon the registration system in Hong Kong as a matter of police regulation, and sees no great objection to it, 4512-4515——Recommendation that greater powers should be given to the consuls in China, 4516.

[Second Examination.]—As regards witness's proposition in his former evidence, that greater power should be given to the consuls in China than they at present possess, he considers that any objection to this might be met by having a court of appeal at Hong Kong, 4799-4803——Improvements suggested in the ordinances that regulate our commercial relations in China, 4804——The drain of silver from China has always appeared to witness to be a serious evil, 4805-4826——Suggestions as to the mode in which the municipal administration in Hong Kong might be improved, 4827-4833——How far, when witness visited Hong Kong in 1846, he considered it in an improving condition, 4834, 4835.

Points in which the consular establishments now existing in China might be improved, 4836 *et seq.*——It would be very beneficial that medical officers should be attached to each consulate, 4837-4851. 4865——Importance of the merchants acquiring a knowledge of the Chinese language; the acquisition of the language would contribute very much to the extension of our commerce, 4847-4859——At Shang-hai there is a useful society, called the Morrison Education Society, for the purpose of instructing Chinese children in English, 4852, 4853——There is at present no institution existing for the instruction of the English in Chinese, 4854, 4855——Evidence as to the value of the services of the late Mr. Thom, 4856-4859.

Difficulty experienced in ships from India carrying on a direct trade between China and England; remedy suggested, 4860-4864——Increase of the trade between India and China, 4866——If the export duty, which is at present levied from India to China, were removed, it would cause a still further increase; way in which it is an impediment to English interest as well as Chinese, 4867-4871——Arrangements which might be made to prevent smuggling in China, 4872-4875——Further evidence as to the necessity for great circumspection in our intercourse with the Chinese; and as to how far the conduct of the missionaries has been adverse to our commercial interests, 4876-4878——Particulars as to the conduct of the early missionaries, especially the Roman-catholic missionaries, and the number of conversions brought about by them, 4879-4895——A greater freedom with regard to articles imported from China would necessarily extend our trade, 4896. 4901-4910——Evidence respecting the junk trade in China, 4897-4900.

Report, 1847—*continued.*

*Bankok.* Agreement with regard to British vessels desiring to trade at Bankok, *App.* 460.

*Barter Trade.* At Shang-hai, where the prosperity of the trade is greatest, the system of barter prevails the most, *Sir G. Larpent* 33——Evidence, generally, respecting the barter trade; nature of the transactions in barter, *Nicol* 337-364; *Gibb* 562 *et seq.*; *Turner* 1097-1100; *Wilkinson* 1315-1332. 1334——It is not always the case that the delivery of the goods and of the tea is contemporary, *Nicol* 365, 366——Sometimes, in a transaction of barter, the goods are agreed to be sold, but even the description of goods to be received is not stated, *ib.* 367-371——Habitual difference ruling in the market between a barter and a money price; great variations therein, *Nicol* 372, 373; *Turner* 1094-1096.

Mode of conducting the trade with China; it is generally a barter trade; there are very few cash transactions, *Gibb* 562 *et seq.*——The amount of our goods to be taken by the Chinese is limited by their power of paying; the trade is now almost entirely a barter trade, *Farbridge* 1001——Nature of the barter trade, *ib.* 1007-1009——The trade with China is principally a barter trade; if goods are sold for cash they are sold at a very inferior price, *Turner* 1081, 1082——The great disadvantage to commerce is the uncertainty of the value of the article received in exchange, *ib.* 1103——The reduction of the duty on tea would have a tendency to remove this disadvantage, *ib.* 1104.

Witness does not look upon the barter as some of the parties who have given evidence before the Committee do, *Wilkinson* 1304——Explanation as to what witness understands by the barter, *ib.* 1307 *et seq.*——The barter that has been in China lately has been from over-supplies of goods, *ib.* 1307——The system has been carried to a greater extent during the last three years than formerly, *ib.* 1315——The principal inconvenience of the barter system is the being forced sometimes to take goods that are not required, *ib.* 1333.

The state of things in China is such that the sale of manufactured goods is regulated entirely by the quantity of tea that we can take, *Robberds* 1556——Extracts from the "Returns of the Trade of the Five Ports," illustrating that a barter trade with the Chinese is the most desirable, and the only one that can be expected to grow to any magnitude, *C. Rawson* 1866——This barter trade is limited by the limited consumption of tea in this country, owing to the high duty, *ib.* 1867, 1868.

*See* also *High-priced Teas. Silk.*

*Bazley, Thomas.* (Analysis of his Evidence.)—Resident at Manchester; president of the Chamber of Commerce there; has never been engaged in the China trade, 879-881——Witness can state generally, from observation, that a reduction in the duty on tea, and the probable consequent reduction in price, would tend to a largely increased consumption, 882——This would lead also, probably, to a great extension of our manufactures to pay for the increased import of tea, *ib.*——Advantages which would arise to the workpeople from a reduction in the price of tea; it would have a beneficial effect upon their morals, and at the same time increase their comforts, 882, 883——The people are much more sober since tea has been cheaper, 883——Price the workpeople generally pay for tea; particulars respecting a co-operative shop witness's workpeople have on one portion of his establishment; mode in which conducted; articles sold; prices paid, &c., 884-889. 902, 903.

Small consumption at the present time of tea per head by the workpeople, 890-898——They principally use Congou tea; price of this tea on importation, 891, 892——The increase of consumption by this class of people, in proportion to the lowering of price, is very extensive, 893——The co-operation system is confined to very few establishments, 894, 895——There is not much adulteration of tea in country shops; the adulteration takes place before they become purchasers of it, 896, 897——There is no doubt that there would be an increased export of manufactures if there were a larger consumption of tea, 899——It would increase the consumption of sugar, 900, 901. 919——And would also encourage the consumption of milk, 904, 905. 919.

It is the general opinion of the Manchester Chamber of Commerce that the tea duty is a great impediment to the Manchester trade; large increase latterly of the trade to China, 906-911. 914, 915——There are bonded warehouses in Manchester; tea is bonded there, 912, 913——Manchester has been supplied latterly with tea more from the Liverpool market than from the London market, 916——The bonding system has worked most advantageously in Manchester; it is increasing, and is considered a great boon, 917, 918——There is no question that the cheaper price of sugar will create a very increased consumption, 920.

*Beggs, Thomas.* (Analysis of his Evidence.)—Secretary to the National Temperance Society, 3597——From witness's knowledge of the habits and condition of the poorer classes of the community he has been led to the conclusion that the cheapening of the comforts of life is one of the best ways of counteracting the prevalence of intemperance; statement of circumstances bearing out this opinion, 3598-3607——Tea is decidedly becoming more and more an object of desire among the poorer classes, 3608-3615——Present charge to a working man for a cup of tea or coffee at the coffee-shops, 3609-3613——The consumption of tea in a poor family varies very much, 3616, 3617——

Attempts

Report, 1847—*continued.*

*Beggs, Thomas.* (Analysis of his Evidence)—*continued.*

Attempts have been made to sell such articles as tea at a moderate price, by means of co-operative societies, but they have failed, 3618, 3619.

As regards the apprehension about the diminution of the revenue if the duty on tea were reduced, it is witness's opinion that every shilling that the revenue would lose from the diminished consumption of intoxicating drinks would be gained by a reduction of the poor-rates and the cost of crime, &c., 3620, 3621.

*Bengal.* Trade with China and Bengal; imports into Bengal from China, from 1838-39 to 1843-44 inclusive; exports during the same period, *App.* 468——Statement of the export trade to China from the presidency of Bengal, from 1833-34 to 1844-45 inclusive, *ib.* 510——Statement of the import trade from China to the presidency of Bengal, from 1833-34 to 1844-45 inclusive, *ib.* 516.——*See* also *Opium Trade,* 4.

*Black Tea.* The black tea sold in the shops in China is very good tea, *Fortune* 4259, 4260.——*See* also *Green Tea. Manufacture of Tea. Tea Trade.*

*Bohea Tea.* Way in which the low duty on Bohea tea was an injury to the poor instead of a benefit to them, *White* 1453-1455——Extravagant rate of duty upon the lower classes of tea; the low Bohea has been positively excluded from the market by it, *Crawfurd* 2416-2419——The Bohea tea imported by the East India Company was a coarse rank-flavoured tea, but good wholesome tea, and had a considerable quantity of Congou broken up in it, *R. Moffatt* 3398. 3402, 3403——The Bohea imported under the free trade is an earthy, low, faint tea, that can hardly be called wholesome, *ib.* 3398. 3404, 3405——Statement as to the consumption of Bohea under the rated duty of 1 *s.* 6 *d.* when the triple rate existed, showing its increase as compared with that of Congou during the prevalence of the rated duty, *ib.* 3399-3405.——*See* also *Germany. Rated Duty.*

*Bombay.* Trade between Bombay and China from 1838 to 1843-44; imports from China from 1838-39 to 1843-44 inclusive; exports to China during the same period, *App.* 472——Statement of the export trade to China from the presidency of Bombay, from 1833-34 to 1845-46 inclusive, *ib.* 510——Statement of the import trade from China to the presidency of Bombay, from 1833-34 to 1845-46 inclusive, *ib.* 516.

*See* also *Opium Trade,* 4.

*Bonding System.* Evidence respecting the bonding system in China, *A. Matheson* 2311-2328——Owing to the interference of the opium farm system and the auction duties, goods are not now warehoused at Hong Kong, *ib.*——The system was tried at Macao and failed, *ib.* 2329-2332.——*See* also *Manchester.*

*Bowring, John,* LL.D., a Member of the Committee, Examined.—Information as to the operation of the change in the mode of levying the duty on tea in the Isle of Man, not only as regards its effect upon tea and the increased consumption of tea, but also as regards its effect upon the increased consumption of sugar and of coffee, 3594-3596——Opinion that the clandestine importation of tea into the island has been very small, 3596.

*Braine, George T.* (Analysis of his Evidence.)—Of the firm of Dent & Co. of Canton and of Hong Kong; having a branch establishment at Shang-hai, 4737, 4738——Has been in China permanently since 1828; had the special charge of the opium branch of the business of the firm for a number of years; the firm have imported largely on their own account, and still more largely on consignment, 4739-4743——The business of witness's firm has not increased in the last three years as compared with former years; still, generally speaking, the trade has increased from year to year; there is more competition, 4744-4746——The price of opium has fluctuated very much during the last year; prices have been lower than the preceding year in consequence of the increased quantity, 4747——The facility of sale has increased since the Chinese government have almost abandoned any attempts to restrain the trade, 4748-4750——The importation has always been carried on without difficulty, 4748.

The great complaint made respecting the opium trade by the government in their official documents was, that it occasioned a great leaking out of the sycee silver, rather than that it was injurious to the people, 4750——A few years ago the payments were made almost exclusively in sycee silver, 4751-4757——The export of silver from China has been reduced during the last year owing to the increase in the exportation of silk, 4751-4757——The exportation of silk from China to England is on the increase, 4758, 4759——Taking it in all its bearings, the introduction of opium as an article of commerce has not been prejudicial to our commercial relations with China, 4760, 4761. 4766——The Chinese cultivate the poppy very extensively themselves, 4762-4765. 4767——Mode in which, and place where, the bargains for opium take place, 4768-4770.

Our commercial relations with China cannot be materially extended except in the articles of tea and silk, 4771-4779——Our manufactures which are likely to be benefited by an increased demand in China are cotton and woollen goods, 4780-4790——Foo-chow-foo is not likely to become an important port for trade, 4791-4795——Neither is Ningpo nor Amoy, 4796-4798.

Report, 1847—*continued.*

*Brazils.* See *Supply of Tea.*

*British Islands.* See *Consumption of Tea*, 5.

*BRITISH MANUFACTURES:*

1. *Generally.*
2. *Opinion that the Loss to our Trade arises from the difficulty of getting Returns for our Goods.*
3. *Increase anticipated in the Demand for our Manufactures if the Duty on Tea were Reduced.*
4. *Doubts expressed on this Subject.*
5. *Papers laid before the Committee.*

1. *Generally:*

The poorer classes of the Chinese wish to have British manufactures, especially clothing, but their pecuniary means are so limited that they cannot obtain them, *Smith* 2764——Witness is not aware of any British manufacture which might be introduced into China that has not already been sent there, *Fortune* 4255.

2. *Opinion that the Loss to our Trade arises from the difficulty of getting Returns for our Goods:*

Statement of the Committee, that they do not find that the difficulties of the trade with China arise from any want of demand in China for British manufactures, *Rep.* iii ——The sole difficulty in the trade is in providing a return, *ib.*——There is no loss in the sale of our manufactured goods irrespective of the loss upon the tea taken in return, *Sir G. Larpent* 12——There have been great losses upon the exports of cottons and woollens from this country, *Gregson* 223-225——Till within the last two or three years there has been a profit in the export of manufactured goods; the loss has been in the import of tea, *G. Moffatt* 1210-1215.

3. *Increase anticipated in the Demand for our Manufactures if the Duty on Tea were Reduced:*

The duty on tea acts practically as a duty upon our manufactures, in which we have to compete with the Americans, *Norton* 327-329——The effect of the low prices at which articles have been sold in China has been to push English articles into new districts, *Gibb* 647-657——There is no doubt that there would be a large increase of export of manufactures if there were a larger consumption of tea, *Bazley* 899——If the duty on tea were reduced, the trade would become a much more extensive and satisfactory one as regards the export of manufactured goods, *Turner* 1083-1093——Our manufactures which are likely to be benefited by an increased demand in China are cottons and woollens, *Braine* 4780-4790.

4. *Doubts expressed on this Subject:*

Whether the Chinese would take more of our manufactured goods if we took more of their tea is doubtful; they do not go together, *Wilkinson* 1299-1303. 1305, 1306. 1308-1314.

5. *Papers laid before the Committee:*

Statement delivered in, showing the exports of cotton and woollen manufactures to China from London, Liverpool, Bristol, Hull, and the Clyde, from 3 January to 26 December, in the years 1845 and 1846, *Sir G. Larpent* 23——Present state of the export of cotton manufactures to China, and probable effect of a reduction of the duty on tea to 1*s.* per lb., *App.* 445.

*See* also *Barter Trade. Camlet Trade. Cash Payments. China Trade. Chinese Peasantry. Consumption of Tea*, 3. *Cotton Trade. Duty on Tea. Exports. Gray Shirtings. Hong Kong*, 4. *Native Produce. Opium Trade. Over-Trading. Shang-hai. Shirtings. Sycee Silver. Woollen Trade.*

*British Merchants.* See *British Residents. Chinese Language. Consular Regulations.*

*British Possessions.* See *Chusan. Hong Kong*, 2.

*BRITISH*

Report, 1847—*continued.*

*BRITISH RESIDENTS IN CHINA :*

1. *Restrictions imposed upon British Subjects at Canton; Ill-feeling manifested by the Population towards them.*
2. *Opinions that this arises from the Weakness of the Government, and not from Indisposition on their part to protect the British Residents.*
3. *How far the Government have exercised the Power they do possess for their Protection; Suggestions with respect to the Protection of British Subjects.*
4. *Ill-feeling of the Inhabitants of Hong Kong towards Foreigners.*
5. *Better Feeling manifested by the Population of Shang-hai towards Foreigners.*
6. *Kind Conduct of the Inhabitants of the North of China towards Foreigners.*
7. *How far a more favourable Feeling exists in China towards the Americans than towards the English.*
8. *Necessity for some Restriction on the Liberty of Foreign Subjects.*
9. *Paper laid before the Committee.*

1. *Restrictions imposed upon British Subjects at Canton; Ill-feeling manifested by the Population towards them:*

By the treaty of Nankin we are allowed to have intercourse in the city of Canton and all round the suburbs; but in fact the intercourse is more confined than ever, *Gibb* 856. 859-869——This is to be attributed to the conduct of the people, and the weakness of the authorities in controlling them, *ib.* 857, 858. 870, 871. 873——Respect in which British subjects in China do not enjoy the privileges to which they are entitled by the treaty; they are confined within a small space at Canton, *Wilkinson* 1391-1393——The disposition of the people at Canton is very hostile and turbulent towards foreigners, *Smith* 2784, 2785——The Canton people have always been noted in China as a turbulent race, *Balfour* 4444——Limited space which the merchants have in and about Canton; their own persons are not safe if they go many hundred yards from the factory, *S. Rawson* 3470-3477. 3484-3491.

2. *Opinions that this arises from the Weakness of the Government, and not from Indisposition on their part to protect the British Residents:*

Witness does not attribute the violence and malevolence of the populace to any conduct of the government, *Wilkinson* 1381——They are anxious to keep peace and quietness, *ib.*——But the weakness of the government is such that they are not able to protect British residents, *ib.* 1382, 1383. 1385. 1411-1421——In this respect the treaty of Nankin has not been fulfilled by the Chinese government, *ib.* 1384, 1385——The government has granted permission to British subjects and other foreigners to go into the city of Canton, but from the feebleness of the government in giving them protection it is quite inoperative, *ib.* 1394-1399——Witness attributes the difficulties which foreigners meet with at Canton more to the feelings of the people and the weakness of the government than to indisposition on the part of the government to protect the British, *Smith* 2786-7—2790.

3. *How far the Government have exercised the Power they do possess for their Protection; Suggestions with respect to the Protection of British Subjects:*

How far the government have exercised the power they do possess for the protection of British subjects, *Wilkinson* 1411-1421——Witness fully agrees in the prayer of the petition of the British merchants at Canton for the better protection of British subjects in China; nature of the protection which witness would suggest, *Silverlock* 2597-2628——In China remonstrances without a sufficient force to support them are of little avail, *A. Matheson* 2703——Great forbearance and circumspection on the part of foreigners in their conduct towards the natives will not always be successful; instance of this, *Smith* 2791——How far it would be practicable for the Chinese government to redress their grievances if more urgent demands were made upon them by the British authorities, *S. Rawson* 3492-3496——Witness concurs in the evidence of those witnesses who consider that there has not been sufficient protection to the British residents at Canton, *ib.* 3505——On a remonstrance being made, orders have now been sent out for a war steamer to be constantly at Canton; great advantages which will arise from this; protection it would afford against pirates, *ib.* 3505, 3506. 3515-3527.

4. *Ill-feeling of the Inhabitants of Hong Kong towards Foreigners:*

The impediments to trade at Hong Kong are not such as the British Government could remove; they arise from the inherent ill-feeling of the inhabitants to foreigners, *Gibb* 855——Notwithstanding the grievances and impediments which British subjects now suffer at Canton, it is witness's opinion that many commercial houses will withdraw from Hong Kong to Canton if the present state of things continue, *S. Rawson* 3483.

Report, 1847—*continued*.

*BRITISH RESIDENTS IN CHINA*—continued.

5. *Better Feeling manifested by the Population of Shang-hai towards Foreigners:*

The bad conduct of the Chinese towards foreigners is principally in the neighbourhood of Canton; near Shang-hai the people are perfectly well disposed, *Gibb* 628, 629——During the time witness was at Shang-hai the British residents had every reason to be perfectly satisfied with the protection they enjoyed, *ib.* 725——The difference in the treatment of foreigners at Canton and at Shang-hai arises from the different character of the population, *ib.* 872——Generally speaking, witness was satisfied with the conduct of the Chinese at Shang-hai towards foreigners, *Balfour* 4329, 4330——There is a marked difference in their conduct at Canton; causes to which this difference may be attributed, *ib.* 4331–4334.

6. *Kind Conduct of the Inhabitants of the North of China towards Foreigners:*

Witness found the natives in the north particularly civil and kind, so far as he had anything to do with them; in the south, in Canton, they were just the reverse; opinion that we have spoiled them ourselves, *Fortune* 4252–4254——The people in the north of China have no feeling of hostility towards foreigners, *Balfour* 4336.

7. *How far a more favourable Feeling exists in China towards the Americans than towards the English:*

The American subjects appear to be more in favour with the authorities; this may be attributed to the presence of the British consuls; the natives are more afraid of the British people, *Smith* 2792–2801. 2810–2816——Witness does not agree with the statement that the Americans and French have greater liberty than English subjects in going into the interior, *S. Rawson* 3478–3482——Probable reasons why a more favourable impression exists among the Chinese towards the Americans than towards the British, *Balfour* 4443.

8. *Necessity for some Restriction on the Liberty of Foreign Subjects:*

Arrangements witness made at Shang-hai for the residence of the merchants and their families, and defining the limits in accordance with the treaties, *Balfour* 4324–4326——The limit allowed to foreigners to go into the interior is an absence of twenty-four hours, which will enable them to travel about thirty miles, *ib.* 4325——Reasons for forming the opinion that it is quite requisite to have some restriction upon the liberty of foreign subjects, *ib.* 4326–4328——Witness considers that the extent to which foreigners are permitted to visit the interior of the country is sufficient for the present, *ib.* 4409. 4417–4419. 4433–4437——How far instances have occurred in which, owing to the conduct of British subjects in China, the trade with China has been interfered with, *ib.* 4438–4442.

Opinion that the presence of an armed steamer opposite the factories at Canton would be offensive to the Chinese, *Balfour* 4505–4509——This should be avoided till we find that the Chinese will not give protection, *ib.*——Generally speaking, the conduct of the British merchants in China has been creditable and honourable to them, *Malcolm* 4609, 4610——Necessity, for the present, of the limitation imposed upon the English as regards penetrating into the interior of China, *ib.* 4655–4658——Further evidence as to the necessity for great circumspection in our intercourse with the Chinese, *Balfour* 4876–4878.

9. *Paper laid before the Committee:*

Petition of British subjects in China to the House of Commons, complaining of the course of policy pursued by the British authorities since the conclusion of the peace, *App.* 505.

*See* also *Chinese Language. Consular Regulations. Cumsingmoon. Hong Kong*, 3. *Namoo.*

*British Vessels.* On the arrival of a British ship at Canton the commander is obliged to present his manifest to the consul within twenty-four hours, *Gibb* 874–876——Witness is not aware that this has ever been considered a grievance, *ib.* 877——Agreement with regard to English vessels desiring to trade at Bankok, *App.* 460.

*See* also *Consular Regulations. Imports.*

*Brodribb, Edward.* (Analysis of his Evidence.)—In the tea trade at Liverpool, 1659——Tables delivered in, showing that increased consumption has always followed lowness of price; examination upon this return, and also with respect to the variations in the price of tea, 1660–1702——One great evil under which the China trade labours in England is the difficulty of realizing returns, either readily or profitably, 1661——This difficulty is increased, if not altogether occasioned, by the present high rate of duty on tea, 1661——Effect

Report, 1847—*continued.*

*Brodribb, Edward.* (Analysis of his Evidence)—*continued.*

——Effect of the present high rate of duty upon the consumption of tea in this country, 1661–1702——Effect of it upon the native shipments of the Chinese, 1703——Evidence to show that the present high duty has the effect of reducing the price of tea, 1703–1716.

Difference between the price of tea in 1833, the last year of the Company's monopoly, and the present time; increase in the consumption of tea since 1833; 1717–1724——Probable effect of the reduction of the duty to 1 *s.* upon the revenue, 1725–1737. 1739–1749. 1781–1789——In the event of a great increased demand for tea, there would not be any great increase in the price, 1738. 1750–1757——Witness has always observed that in times of commercial pressure and distress there has been an increased demand for tea; this remark applies more particularly to Ireland, 1758–1767. 1779, 1780——General objection to public sales of tea, 1768–1771——Impracticability of placing an *ad valorem* duty on tea, 1770. 1794–1796——The high duty on tea leads to adulteration, 1772–1778. 1790–1793.

Comparison between the amount of tea that was formerly consumed and the amount that has been consumed since the great increase in the consumption of coffee consequent upon the reduction of duty, 1797.

*Brown, William S.*, a Member of the Committee, Examined.—Information respecting the China trade, especially with Liverpool, 4716 *et seq.*——Consecutive history of the tea trade, so far as it is connected with this country, 4716——Prior to 1667, no tea was imported into this country by the East India Company, and but a little by private trade; in that year the Company sent out its first order for 100 lbs., *ib.*——Reasons for supposing that up to that period, up to 1707, the duty was very heavy; price then paid for tea, *ib.*——In 1747 the duty was reduced 2 *s.*, and it quadrupled the consumption, *ib.*——In 1768 the duty on black tea was reduced 1 *s.* and the consumption increased 80 per cent., *ib.*——Evidence in detail as to other reductions and impositions of duty, and variations in the consumption consequent thereon, *ib.*

A very important fact connected with the importation of tea is embraced between the periods 1822–23 and 1831–32; 4716——The East India Company reduced the price of Bohea 7½ *d.* per lb., and as it was charged with an *ad valorem* duty, a similar reduction was made by the Government, amounting together to 1 *s.* 2 *d.* per lb., *ib.*——In consequence of this, the consumption rose from 1,800,000 lbs. to 6,400,000 lbs., *ib.*——On the abrogation of the charter, the consumption increased from 31,000,000 to 44,000,000, producing a revenue of 4,800,000 *l.*, *ib.*——What we have to contend with is the difficulty of supplying this, *ib.*

Looking at the increase of consumption that has taken place by the reduction of duty, and the effect of low duties in other countries, witness would recommend a still further reduction in the duty, 4716——Evidence as to the consumption in some other countries, *ib.*——Capability of the Chinese to supply us to any extent, *ib.*——A larger consumption of tea would naturally induce a larger consumption of sugar, which would assist in making up the revenue, *ib.*——With regard to the comparison of the consumption of tea in this country and in America, witness would observe that the American taste is for coffee, *ib.*——The collection of a specific duty is most easy, but still witness would prefer an *ad valorem* duty; reasons for this, *ib.*——Evidence respecting the quantity of tea consumed in the United States, 4716–4736.

[Second Examination.]—Fact which has come to witness's knowledge, showing that the system of making Hong Kong a free port has not been fully carried out, 4911.

*Buchanan, Walter.* (Analysis of his Evidence.)—Partner in a house trading for many years to Singapore; has been in the habit of making remittances to China, 433, 434——Principal difficulties arising under the present state of the trade, 436——Evidence respecting the unfortunate results of the exports from China, particularly in tea; evils resulting from the present high rates of duties, 437–451——If the duty were lowered there is no doubt that a larger consumption would take place, and the supply of tea would not be in excess as it now is, 452–456.

It is not likely that sugars will continue to be a larger means of import from China, 458, 459——The only new article of import from China since the opening of the trade has been hemp or Chinese grass; but this has not been profitable, 460. 462–464——Opium is never exchanged for tea; last year there was a very general exchange of opium for silk at Shang-hai, 461——There is a considerable trade with all nations at Singapore; there is also a considerable junk trade from the various ports in China, 465–468——General character of the trade from Amoy, carried on by the Chinese with Singapore, 469–474——During the last two years the trade between Singapore and China has not been profitable, 475–481——Evidence as to the great advantages which would result from a reduction of the duty on tea, 482–484——There is no fear of an increase in the price of tea in China from an increased exportation of tea from that country, 485–487.

Report, 1847—*continued.*

C.

*Camlet Trade.* Present and former state of the camlet trade of Norwich with China, *Robberds* 1555——Many of the manufacturers have given up the trade with China on account of the difficulty of obtaining profitable returns, *ib.* 1560–1563. 1586–1596——Statement of the progress of the exports of camlets for the last ten years, *ib.* 1582–1596——Duties levied on camlets in China, *ib.* 1578–1580——The camlet trade has decidedly diminished latterly, *C. Rawson* 1858, 1859.

Parts of China in which there is the principal demand for camlets, *Robberds* 1559, 1560. 1575——The fluctuations in the fashions in China are not so great as to have had anything to do with the diminished demand for camlets, *ib.* 1621–1623——Classes of the Chinese by which camlets are worn, *ib.* 1581.

The great increase in the supply of camlets and other goods to China has caused an immense increase in the stock of tea sent to this country, *Robberds* 1555, 1556——If we could take more tea the sale of camlets would be very much increased, *ib.* 1560–1563. 1573–1575——The camlets are now made by the power-loom instead of the hand-loom; this has much reduced the price, *ib.* 1571–1573——They are manufactured wholly of British wool, *ib.* 1576, 1577.

There is no other country which manufactures camlets similar to ours, *Robberds* 1564, 1565. 1570——The Americans do not take camlets from Norwich now as they used to do, *ib.* 1566–1570——The Russian trade has not interfered with the camlet trade of Norwich, *ib.* 1628, 1629.

*Canals.* See *Internal Communication.*

*Canton.* Unsatisfactory and unprofitable state of the China trade, as far as regards the port of Canton, *Wilkinson* 1279, 1280——Evidence as to the fact that the trade at Canton was free and flourishing from its first establishment till 1843, when the peace was made, *A. Matheson* 2641–2643——Suggestions as to the course by which the prosperity of the colony might in a measure be restored, *ib.* 2644–2646——Inconveniences arising from the restrictions as to trade which the merchants suffer at Canton, *S. Rawson* 3470——Evidence respecting the present tea trade at Canton; the Canton tea is not liked in the British market, *Fortune* 4215–4235——Statement with respect to our present position at Canton, which is quite as bad, if not worse, than previous to the war, *Kerr* 4281–4286.

Letter from Consul Macgregor to Sir John Davis, showing that the last year has not been a prosperous one for the merchants engaged in the China trade at Canton, *Reid* 4314——The state of affairs at Canton at the present time is much worse than it was during the Company's time; cause to which this may be attributed, *Balfour* 4335. 4337, 4338——The disadvantage of Canton is that the teas arrive there only once a year; at Shang-hai they are brought at different times during the year, *ib.* 4387–4397.

Statement of the export of tea from Canton to the United Kingdom, commencing 1 July 1841, ending 30 June 1842, *App.* 486——Amount of the number of pounds of tea shipped at Canton on board foreign European vessels, viz. Swedish, Danish, Dutch, French, Portuguese, Spanish, Prussian, Austrian, Russian, Hamburgh, Tuscan, &c. *ib.* 487——Quantity of tea exported from Canton by the Dutch from 1783 to 1808, *ib.* 488——Quantity of tea shipped at Canton by the Danes, *ib.* 489——Quantity of tea exported from Canton by the Swedes, *ib.* 490——Exportation of tea from Canton by the French from 1782 to 1807, *ib.* 492.

*See* also *British Residents*, 1. *Cumsingmoon. Hong Kong*, 2, 3. *Manufacture of Tea. Piracy. Police. Post Office Regulations. Treaties.*

*Cash Payments.* There is hardly a possibility of getting cash in China for goods, *C. Rawson* 1866.

*See* also *America. Barter Trade. Native Produce. Opium Trade*, 6. *Silk.*

*Cassia Lignea.* There is not much cassia lignea imported from China, *Gregson* 221.

*Character of the Chinese.* The Chinese are more submissive and peaceable in the north than in the south of China, *Wilkinson* 1422–1425——Witness has found the Chinese great emigrants, willing to apply themselves to labour, and willing to transfer themselves to other countries, *Crawfurd* 2543–2545.

*China Sea.* Paper on the navigation of the China Sea, by Captain Collinson, R.N., *App.* 521.

*China Trade:*

1. *Present distressed State of the Trade.*
2. *Suggestions as to the Mode by which it might be revived.*

1. *Present distressed State of the Trade:*

Statement of the Committee that it has been shown, on undoubted evidence, that the trade with China has been for some time in an unsatisfactory position, *Rep.* iii——The result of our extended intercourse has by no means realized the expectations which had been founded on a free access to so magnificent a market, *ib.*——Evidence to show that

Report, 1847—*continued.*

*CHINA TRADE*—continued.

1. *Present distressed State of the Trade*—continued.

that since the opening of the trade it has been a most losing trade, *Sir G. Larpent* 3-6——Upon the whole, the transactions with China have not been profitable, *Gregson* 140-163—— Length of time which the depressed state of the China trade has existed, *Norton* 331-334.

One of the consequences of the unsatisfactory state of things is to supplant the direct trade with China by an indirect trade, *Nicol* 382-387——Difficulties which are experienced in the extension of the trade with China, *Gibb* 499 *et seq.*——The opening of the trade has brought down a great many mercantile settlers; they have been great sufferers in the first eighteen months of the trade, *ib.* 631——Enumeration of the articles of export and import which have been introduced under the changed state of affairs since the opening of the trade, *ib.* 666-668.

The present position of the trade with China is very unsatisfactory, *Turner* 1081, 1082——There has been a loss both upon the export of goods to China and on the teas imported from China; but last year was an exception to this rule, *G. Moffatt* 1145-1147——Witness dates the losses on the trade with China from 1844, *ib.* 1216——Period from which witness dates the beginning of the unfavourable state of the trade between China and England, *Wilkinson* 1426-1431——Till within the last three years witness's firm have felt encouragement to go on with the China trade, but since that period the result has been very disastrous, *Garnett* 3056-3068——Extracts from papers presented to The House in 1847, called "Returns of the Trade of the various Ports of China," for the year 1846, *Reid* 4314.

2. *Suggestions as to the Mode by which it might be revived:*

Witness knows of no other means of improving the trade besides a reduction in the duty on tea, *Nicol* 403 *et seq.*——It would be a great advantage to this country if greater facilities were given for the reception of the produce of China, *Gott* 1929-1939——Witness's experience in the importation of tea has shown him that up to a certain period the trade to China was a profitable one, *Winch* 2926——It has ceased to be so since the supply of tea to this country has been greater than the consumption could take off; the decline may date from 1943, *ib.* 2926-2931——The trade can only be rendered profitable again by a reduction of the exports of our manufactures, or by an increase in the consumption of tea in this country, *ib.* 2932——A great deal might be done as regards our trade with China by opening collateral intercourse with the surrounding nations, *Martin* 3952 *et seq.*——The commercial cities with which we should open further communication are Soo-Choo, of which Shang-hai is the port; Nankin, Tching-Kiang-foo, Tientzin, Kiang-sing, and Tchang-foo, of which Amoy is the port, and the cities above Canton, *ib.* 4011——Our commercial relations with China cannot be naturally extended except in the articles of tea and silk, *Braine* 4771-4779.

*See* also *America. Barter Trade. British Manufactures. Camlet Trade. Canton. Chusan. Commission Trade. Competition. Consumption of Tea,* 3. *Cotton Trade. Cumsingmoon. Duties. Duty on Tea. East India Company. Exports. Hong Kong. Manchester. Opium Trade. Price of Tea. Shang-hai. Singapore. Tea Trade. Treaties. Woollen Trade.*

*Chinese Government.* The authority of the government is exceedingly weakened by the result of their engagements with England, *Gibb* 723-726——Reasons why the power of the government has decreased since the war; the people have found that the mandarins are nobody, and that the fulminations of the government are of no avail, *Wilkinson* 1400-1403. 1408, 1409.

*See* also *British Residents,* 2, 3. *Opium Trade,* 8. *Treaties.*

*Chinese Grass.* The only new article of import from China since the opening of the trade has been hemp or Chinese grass; but this has not been profitable, *Buchanan* 460. 462-464.——*See* also *Native Produce.*

*Chinese Language.* Importance of the merchants acquiring a knowledge of the Chinese language, *Balfour* 4847——The acquisition of the language would contribute very much to the extension of our commerce, *ib.* 4847-4859——At Shang-hai there is a useful society, called the Morrison Education Society, for the purpose of instructing the Chinese children in English, *ib.* 4852, 4853——There is at present no institution for the purpose of instructing the English in the Chinese language, *ib.* 4854, 4855.

*Chinese Peasantry.* Tea is in general use in China amongst the poorest families, but it is a very bad kind of tea; the consumption is very great, *Smith* 2765-2774——Tea is considered by the Chinese as a necessary of life, and not as a substitute for spirituous liquors, *ib.* 2775. 2778——They have a liquor distilled from rice, but intoxication is a vice they are not much given to, *ib.* 2776, 2777——The principal food of the poorer classes of the

Report, 1847—*continued.*

*Chinese Peasantry*—continued.

Chinese besides tea is rice and a little pork and fish, but rice is the principal, *Smith* 2823——Condition of the Chinese peasantry; how far they use our manufactures of cotton and woollen, *Fortune* 4263-4272.

*See* also *British Manufactures*, 1. *Character of the Chinese.*

*Christie, Thomas.* (Analysis of his Evidence.)—Tea dealer in London; has three establishments; one in Whitechapel, one in Bishopsgate-street, and one in the Commercial-road, 4066——Witness's trade brings him in contact chiefly with the middling and lower classes, 4067——They generally use the middling and better descriptions of tea, 4068-4080——There is no doubt that if the duty were reduced to 1*s.* per pound the consumption would increase from 30 to 40 per cent., 4069, 4070——Result of witness's experience of the effect on the consumption of tea of the state of prosperity and success of the working classes, 4071——Reasons for forming the opinion that the effect of the high price of provisions is to limit the consumption of tea, 4071-4073——The effect of a reduction of the duty would cause a much greater consumption in the numerous coffee-shops now established; coffee is the principal article now sold in them, but they consume a large quantity of tea as well, 4074-4076——The reduction of the duty on coffee has not tended to diminish the sale of tea, 4077-4079——Objection to an *ad valorem* duty on tea, 4080-4089——Preference given to private sales of tea to their being sold by auction; almost all the sales are now by private contract, 4090, 4091.

*Chusan.* Particulars as to the surrender of Chusan; reasons why it was better for us not to retain it, *A. Matheson* 2700——Reasons for forming the opinion that it is much to be regretted that we have not retained possession of Chusan, *Martin* 4004-4010——Under the provisions of the treaty it would have been possible to retain it, *ib.* 4005——Feeling of the Chinese upon our restoring Chusan, *Fortune* 4278-4280——There was formerly some trade at Chusan; it ceased entirely when Shang-hai was opened; the restoration of Chusan has been no sacrifice, *Balfour* 4459-4462. 4473-4479.

*Coasting Trade of China.* Cost of the coasting transport from Shang-hai to Hong Kong or Canton, *Gregson* 164-167——Alteration which has taken place in the coasting trade since Shang-hai has become the depôt for British goods, *Balfour* 4466.

*See* also *Hong Kong*, 3. *Junk Trade.*

*Cocoa.* Statement as to the consumption of cocoa in various years from 1820 to 1846, *Rep.* vi.——*See* also *Duty on Tea*, 6.

*Coffee.* Statement as to the consumption of coffee in various years from 1801 to 1846, *Rep.* vi——The reduction of the duty on coffee was most satisfactory, *Sir G. Larpent* 52——The increase in the consumption of tea as compared with the depreciation of price has been fully equivalent to that which has taken place in coffee, *White* 1446-1449——Evidence as to the increased consumption of coffee consequent upon the lowering of the price, *Law* 1503-1510——In comparing the expense to the poor man of using coffee and tea, coffee is rather the dearest; it requires more sugar and milk, *ib.* 1517, 1518——Presence of copper in coffee, *Sigmond* 3566. 3580, 3581——Coffee is the greatest stimulant, but tea is the most nutritive, *ib.* 3576-3578. 3580, 3581——The reduction of the duty on coffee has not tended to diminish the sale of tea, *Christie* 4077-4079——There has been an augmented demand for coffee going on with the increased demand for tea, *Wilson* 4306-4308.

*See* also *America. Consumption of Tea*, 2. *Duty on Tea*, 6.

*Coffee Shops.* The effect of a reduction of the duty would cause a much greater consumption in the numerous coffee-shops now established; coffee is the principal article now sold in them, but they consume a large quantity of tea as well, *Christie* 4074-4076.

*Collinson*, Captain, R. N. Paper on the navigation of the China Sea, by Captain Collinson, R. N., *App.* 521.

*Commission Trade.* The China trade is essentially in the bulk of it a commission trade, *Turner* 1098.

*Competition.* Statement of the Committee that there is no evidence to show that this country has to apprehend any serious foreign competition in the articles of general demand in China, *Rep.* iii——The sole difficulty in the trade is in providing a return, *ib.*——Under a free system of competition, without any Government restriction, prices are more likely to find their level, *Sir G. Larpent* 31, 32——Reasons for forming the opinion that the further opening of the China market would diminish the competition in that market, which is at present one source of injury to the merchants and manufacturers, *Robberds* 1597-1610.

*See* also *America. Camlet Trade.*

*Congou Tea.* Evidence as to the cost of Congou tea in China, *Gregson* 214——Rise in the price of Pekoe-flavoured Congous since the Company's time, *Gibb* 554——The quality is now far superior to what the Company used to buy; last price of Pekoe Congous in China, *ib.* 554–559——The labouring classes principally use Congou tea; price of this tea on importation, *Bazley* 891, 892——The increase in the consumption of Congou is about 90 per cent., *Crawfurd* 2419.——*See* also *Bohea Tea. Rated Duty.*

*Consular Regulations.* When our consular regulations are found to operate as a hardship or a restriction upon trade, it would be very desirable to relax them so as to suit the convenience of British merchants, *J. Matheson* 3104–3106. 3126, 3127——As regards the consular restrictions there is one particularly that obtains at Canton which is a great inconvenience to commerce, *S. Rawson* 3497——This is a refusal to allow the export manifests of ships to be seen, *ib.* 3497–3504——Improvements suggested in the ordinances which regulate our commercial relations with China, *Balfour* 4804——Mode in which the consular establishments now existing in China might be improved, *ib.* 4836 *et seq.*

*Consuls.* Politically speaking, we are losing ground in China rather than gaining it, *A. Matheson* 2706——This may be attributed to the British authorities in cases of disputes, instead of protecting their own subjects, almost invariably taking the part of the Chinese; instance of this, *ib.* 2707–2716——Recommendation that greater powers should be given to the consuls in China, *Balfour* 4516——As regards witness's proposition, in his former evidence, that greater power should be given to the consuls in China than they at present possess, he considers that any objection to this might be met by having a court of appeal at Hong Kong, *ib.* 4799–4803.

*CONSUMPTION OF TEA:*

1. *Generally.*
2. *Effect of the present high Rate of Duty on the Consumption.*
3. *Opinions that a Reduction of the Duty would materially increase the Consumption.*
4. *Evidence to show that an increased Consumption has always followed Lowness of Price.*
5. *Consumption of Tea in China and other Foreign Countries.*

1. *Generally:*

Difficulty of ascertaining what the maximum consumption is, with a view to reducing the duty to such an amount as to raise the consumption to that point, *G. Moffatt* 1159–1176——There has not been much increased consumption amongst the opulent classes, *Law* 1497–1499——Particulars as to the consumption of tea amongst the middle classes, *ib.* 1500–1502——Witness has always observed that in times of commercial pressure and distress there has been an increased demand for tea; this remark applies more particularly to Ireland, *Brodribb* 1758–1767. 1779, 1780——Statement of the population of Great Britain and Ireland, and of the consumption of tea, and rate of consumption per head for decimal periods, from 1801 to 1841, and also for 1846, *App.* 442.

2. *Effect of the present high Rate of Duty on the Consumption:*

If the duty on tea were lowered, there is no doubt that a larger consumption of tea would take place, and the supply would not be in excess, as it now is, *Buchanan* 452–456——Evidence to show the effect of the present high rate of duty upon the consumption of tea in this country, *Brodribb* 1661–1702——Comparison between the consumption of tea formerly and the consumption since the great increase in the consumption of coffee consequent upon the reduction of duty, *ib.* 1797——An increase in the consumption can only arise from a reduction in the price, *Winch* 2933——Statement of the results of a table which witness has prepared, showing what is the sympathy of consumption with the prices, irrespectively of the duty, *ib.* 2936–2952.

3. *Opinions that a Reduction of the Duty would materially increase the Consumption:*

Opinion of the Committee that the only means of increasing the consumption of tea, and thereby extending our trade in China, is to reduce the duty, *Rep.* v——This would not only be desirable in itself as promoting the increased consumption of a beverage wholesome and agreeable to every class of our population, but it would also be no more than is due to the Chinese, who tax our products so lightly, *ib.*——Statement as to the consumption of tea at decimal periods from 1801 to 1841, and also in 1846, *ib.* vi——Whenever the reduction of duty on the main articles of consumption has been tried, it has been accompanied by a very considerable and rapid increase of consumption, *Sir G. Larpent* 52——Evidence as to the augmented sales of tea which may be expected from the reduction of the duty to 1*s.* per lb., *Nicol* 389–402.

Witness would say, from observation, that a reduction in the duty on tea would lead to a largely increased consumption, *Bazley* 882——This would lead also probably to a great extension of our manufactures to pay for the increased import of tea, *ib.*——If the duty on tea were lower, there would be a material increase of consumption, *White* 1434, 1435——Papers delivered in elucidating this point, *ib.* 1434——There is no doubt that an increase in the consumption would follow a reduction of the present duty;

Report, 1847—*continued.*

*CONSUMPTION OF TEA*—continued.

3. *Opinions that a Reduction of Duty would increase Consumption*—continued.

in the first year it would most probably be one third, *Law* 1494–1496——The great increase in the consumption of tea consequent upon the reduction of the duty to 1 *s.* per lb. would be in the first year; it would be quite one-third, *ib.* 1522–1524.

The power of consuming tea in this country is found practically to be the limit to the export of our manufactures, *Garnett* 3059——Nothing will make the trade to China profitable but either a great reduction in the export of goods to China or an increase in the consumption of tea in England, *ib.*——This can only be effected by a very great reduction in the duty, *ib.*——The China trade has laboured under very great disadvantage from the difficulty of selling tea in this country, *J. Matheson* 3071–3073——There is no doubt that the reduction of the duty would greatly benefit trade by increasing the consumption, *ib.* 3074, 3075——Witness's simple opinion is, that were the duty on tea reduced, the consumption would be much greater, and that we should be able to compete with Russia and other countries in the introduction of a higher class of tea than we at present have, *Sigmond* 3529–3532.

There is no doubt that if the duty were reduced to 1 *s.* per lb. the consumption would increase from 30 to 40 per cent., *Christie* 4069, 4070——The impediment to the increase in the consumption of tea in this country is the enormously high duty levied upon it, *Robberds* 1556.

4. *Evidence to show that an increased Consumption has always followed Lowness of Price:*

Reference to various documents which have been prepared by witness, showing that an enormous increase in the consumption of tea might be expected, if brought within the means of the great mass of the population, *Norton* 240——Statement, showing that the consumption of tea in this country has been affected almost entirely by the prices that were ruling, *ib.* 251, 252——The result of witness's experience, both in tea and silk, is that an increased demand has been the result of a reduction in price, both in China and here, *ib.* 271——The increase of consumption by the labouring classes in proportion to the lowering of price is very great, *Bazley* 893——Tables delivered in showing that increased consumption has always followed lowness of price, *Brodribb* 1660–1702——Varying consumption of tea according to duty and price, *App.* 443.

5. *Consumption of Tea in China and other Foreign Countries:*

That the consumption of tea has not yet received its full development is clear if we consider the large proportion of tea consumed in other populations of similar tastes with those of the British islands, *Rep.* vi——In these the consumption is no more than 1 lb. 10 oz. per head; whereas in the Isle of Man it is 2 lbs. 10 oz., in Jersey and Guernsey 4 lbs. 4 oz., and in Newfoundland and Australia a very considerably larger proportion, *ib.*——The consumption of tea in all parts of Europe, with little variation, is very trifling compared with that among British subjects in every place where they are to be found, *Norton* 294——We export to the European markets, but that trade is rather declining now, *ib.* 295——The Chinese consume about four times the quantity of tea that we do, *Fortune* 4121——Evidence as to the consumption of tea in other countries, *Brown* 4716——Average annual consumption of tea in different countries, *App.* 493.

*See* also *Agricultural Districts. America. Australia. Barter Trade. British Manufactures,* 3. *China Trade,* 2. *Chinese Peasantry. Coffee. Duty on Tea. Germany. Green Tea. Native Produce. Price of Tea,* 2, 3, 4. *Revenue. Scotland. Sugar. Supply of Tea. Tea Trade.*

*Continent,* The. Evidence showing that this country is the depôt of tea for the Continent; it would most probably be so to an increased extent if the duty were reduced, *G. Moffatt* 1151–1158——The demand for tea abroad varies according to circumstances, *R. Moffatt* 3438.

*Cotton Trade.* Statistics delivered in showing the amount of our exports of cotton goods, *C. Rawson* 1851–1854——We export an immense quantity of cotton from India to China; it is of inferior quality to their own, except that it is a short staple, *ib.* 1870–1872——Statement showing the enormous increase that there has been progressively in the shipment of plain cottons and cotton yarns to China; the trade is now decreasing, *ib.* 1854–1856——The cotton trade from India to China has diminished, *Martin* 3977——The Americans have been pushing the trade in raw cotton from the United States, *ib.* 3977–3982——Present state of the export of cotton manufactures to China, and probable effect of the reduction of duty on tea to 1 *s.* per lb., *App.* 445.

*See* also *British Manufactures,* 2, 3. *Exports. Over-Trading. Woollen Trade.*

*Country Tea Dealers.* See *Adulteration of Tea.*

*Country Trade* (China.) See *Hong Kong,* 1.

*Crawfurd,*

Report, 1847—*continued.*

*Crawfurd, John.* (Analysis of his Evidence.)—Has been over the greater part of the East, and was "Resident" at Singapore, 2411, 2412——Succeeded Sir Stamford Raffles at Singapore, and organized the settlement there, 2413——Various opportunities enumerated which witness has had for becoming acquainted with the China trade, 2414, 2415——Extravagant rate of duty upon the lower classes of tea; the low Bohea has been positively excluded from the market by it, 2416-2419——The increase in the consumption of Congou is about 90 per cent., 2419——Diminished consumption of Twankay, the lowest class of green tea, *ib.*——Great increase in the consumption of the higher classes of green tea, viz. Hyson, Young Hyson, Gunpowder, and Imperial, *ib.*——The effect of the duty upon all classes of tea being the same, is to force all people to consume the highest classes only, *ib.*——An *ad valorem* duty upon tea of the different classes would be preferable to an uniform duty, 2420-2423.

Under the rated duty of 1833 the consumption of tea and the revenue were higher in proportion to the population than they have been since, 2424-2426——Prices of different classes of tea in 1833; 2427-2430——Revenue upon tea in 1833 and in 1835; 2431-2433——The rated duty ceased in July 1836; 2433——An enormous quantity of Bohea was taken out of bond at that time in order to escape the new duty, 2434, 2435——The Committee in 1835 decided in favour of the rated duty, but the Chancellor of the Exchequer determined upon the uniform rate, 2435-2437——The difficulty of distinguishing between Fokien Bohea, and Congou, was stated to be the cause of discontinuing the rated duty, 2437-2441——Loss that would be sustained by the revenue if the duty upon all teas were reduced to 1*s.* per lb., after making allowance for increased consumption both of tea and sugar, 2442.

Reference to the opinion expressed by the Select Committee of 1834 on the Tea Duties with regard to a rated duty on tea, 2446-2450. 2463——Reasons why the importation of finer teas has increased in a larger proportion than that of lower teas, 2451-2455——An *ad valorem* duty might be easily levied, but would be objectionable, on account of the opposition to it on the part of the tea trade, 2456-2485——Witness was charged with the civil administration of Singapore for some years, 2486——Nature of the revenue system now pursued there; system of farming the revenue; the system has worked well, 2487-2497——Evidence respecting the sources of revenue derived from Crown lands at Singapore, 2498-2503.

Way in which the land was disposed of in Singapore; the grants are now all leases of 999 years, paying a small quit-rent, 2499-2500. 2507-2518——In the first instance most of the land was given away which formed the site of the town, 2501-2503——Attempts were made by Sir Stamford Raffles and witness to sell the lands by public auction, but they turned out fictitious sales; no one paid, and they were obliged to be cancelled, 2503——The granting of these long leases has much facilitated the transfer of lands; the same system applied to Hong Kong would be very beneficial, 2504-2506.

There are municipal taxes at Singapore for local purposes, but not large ones; the principal is the police tax, 2519, 2520——Extent of the public establishments at Singapore, and their cost, 2521-2528——Reasons why the system of farming the revenue as adopted at Singapore could not be applied to Hong Kong, 2529-2535——Particulars respecting the coasting junk trade of China, 2536-2538——Further evidence as to the grants of land to individuals at Singapore, 2540, 2541——Witness has found the Chinese great emigrants, willing to apply themselves to labour, and willing to transfer themselves to other countries, 2543-2545.

[Second Examination.]—Information as to the capacity of China to furnish an increased supply of tea, without an increase of price, 2750-2754——So long as the land of China continues abundant, and the rent moderate, there is no other country which will be able to come into competition with it in the production of tea, 2755——In Brazil it has been a total failure, and also in Java; and witness suspects it is a failure also in Assam, 2755, 2756. 2758. 2760, 2761——It has been tried in Malacca, but Malacca is still worse, 2757——Witness has heard that tea of very good quality is manufactured in Camoom, in the western part of India, but doubts its ultimate success; it wants skilled labour and cheap labour, 2759.

*Crown Lands.* Evidence respecting the sources of revenue derived from Crown lands at Singapore, *Crawfurd* 2498-2503.

*Cultivation of Tea.* Account of the provinces in which witness has been, and in which tea is cultivated, *Fortune* 4097-4102. 4113-4115——Nature of the soil in which the tea plant grows; situations best suited for the cultivation of it, *ib.* 4110, 4111. 4170, 4171——The tea farms in China are very small, usually from half an acre to three or four acres, *ib.* 4116, 4117. 4160-4169——Mode of cultivation, *ib.* 4118——Cost of bringing land into tea cultivation; length of time before the plants arrive at maturity; period during which the plants continue productive, *ib.* 4144-4159. 4162-4169. 4172-4183——The tea plantations in China are usually held in small properties, *Balfour* 4398——Statement as to the principal territories in which the tea consumed in Europe and America is grown, *App.* 496.

*See* also *Manufacture of Tea.* *Supply of Tea.*

Report, 1847—*continued.*

*Cumsingmoon.* Depôt vessels have now taken up their station at Cumsingmoon, about half way between Macao and Bocca Tigris, where there is a tolerable harbour, *A. Matheson* 1943——Since 1844 a considerable town has sprung up there, with a population of 3,000 or 4,000, composed entirely of petty traders and junk men, who have deserted Hong Kong, *ib.*——The large transactions in opium, and the retail trade in goods of all kinds which took place at Hong Kong, are now carried on at Cumsingmoon, *ib.*——The place is rapidly increasing under Chinese rule, while Hong Kong, under British sway, is without trade, and daily abandoned by some portion of its population, *ib.*——The depôt at Cumsingmoon which is now established is a contravention of the treaty, *ib.* 2649-2651. 2655. 2659-2666——The British subjects who frequent that depôt are out of the pale of British protection, *ib.* 2650, 2659-2666——Cumsingmoon has risen to importance upon the ruins of Hong Kong, *Scott* 3726——The trade since it has left Hong Kong has gone to the free settlement of Cumsingmoon and Canton, *ib.* 3723-3731——The receiving ships remain at Cumsingmoon, and the opium is sold at Canton and Macao, *ib.*

D.

*Denmark.* Quantity of tea shipped at Canton by the Danes, *App.* 489.

*Drunkenness.* See *Chinese Peasantry. Labouring Classes.*

*DUTIES:*

1. *England.*
2. *China.*

1. *England:*

The duty does not fall very oppressively upon any other article in the China trade except tea, *Gregson* 222——A greater freedom with regard to articles imported from China would necessarily extend our trade, *Balfour* 4896. 4901-4910——Our heavy duty is a prevention to the sale of Chinese produce here, *Marling* 4056.

2. *China:*

Comparison between the old duties levied upon articles in China previous to the treaty and the present duties, *C. Rawson* 1880——The Chinese give greater facilities for the introduction of our exports into their country than we do for theirs into ours, *Marling* 4055——Evidence as to the internal duties levied in China on imports and exports, independently of the duties payable at the maritime custom-house, *Balfour* 4339-4350——The custom-house duties in China are all paid in silver; the land-tax is paid in copper cash, *ib.* 4359——Form in which revisions of the commercial laws respecting duties levied take effect; functions of the Revenue Board; power possessed by the British consul in these cases, *ib.* 4361-4371.

*See* also *Camlet Trade. Tonnage Duties. Transit Duties.*

*DUTY ON TEA:*

1. *Injurious Effects of the high Rate of Duty on Tea: Complaints which have been made on the subject.*
2. *Suggestions as to the Amount to which the Duty might be reduced beneficially to the Public; a Reduction to* 1*s. a Pound recommended.*
3. *Opinion that the Duty falls peculiarly heavily upon the Consumer.*
4. *Objection to any Reduction of the Duty.*
5. *Export Duty in China.*
6. *Papers laid before the Committee.*

1. *Injurious Effects of the high Rate of Duty on Tea; Complaints which have been made on the subject:*

Occasions witness has had, in his capacity as chairman to the East India and China Association in London, of calling the attention of Government to various points connected with our commercial relations with China, *Sir G. Larpent* 2——This has been the case especially as regards the duties upon tea, *ib.*——Memorials were presented to Sir R. Peel, and subsequently to Lord John Russell, on the subject, *ib.*——Outline of these memorials, stating the grievances of which the China trade complains, *ib.* 3 *et seq.* ——The duty on tea is not less than 165 per cent. taking all the qualities of tea, *ib.* 12, 13. 17, 18——This is a duty which is certainly anomalous in our fiscal system, with reference to the consumption of such an article as tea, *ib.* 12-16.

Opinion that our Government receives cent. per cent. upon the cost; this duty is exorbitant, *Sir G. Larpent* 19——Gross injustice of this duty towards China, *ib.*—— Upon their staple product we levy a duty of nearly 400 per cent., while we confine them to charge upon our staples a duty of only five per cent., *ib.*——There is no possibility of a further exportation of our manufactures to China without some alteration in the system of tead uties, *Farbridge* 999. 1068-1071——The present high duty has the effect

Report, 1847—*continued.*

*DUTY ON TEA*—continued.

1. *Injurious Effects of the high Rate of Duty, &c.*—continued.

effect of reducing the price of tea, *Brodribb* 1703-1716——The present rate of duty is a matter of great complaint among the Chinese, *Silverlock* 2590-2592. 2595——Lowering the duty on tea to 1*s.* would partly tend to make this country the great entrepôt for tea to which other countries would come, *R. Moffatt* 3441-3445——Letter from Sir John Davis to Viscount Palmerston, dated Hong Kong, 24th Feb. 1847, respecting the effect of the high duties upon tea in England upon the trade between this country and China, *Reid* 4314.

2. *Suggestions as to the Amount to which the Duty might be reduced beneficially to the Public; a Reduction to* 1*s. a Pound recommended:*

Suggestion that the duty should be reduced to 1*s.* on teas of all qualities, *Sir G. Larpent* 24——Calculation made by witness that the reduction of the duty on tea to 1*s.* per lb. would have the effect of making tea at least 1*s.* 4*d.* per lb. cheaper, *Norton* 304-306——Evidence as to the great advantages which would result from a reduction of the duty on tea, *Buchanan* 482-484——A reduction of the duty on tea would tend to balance the trade better than at present, *G. Moffatt* 1132——With respect to the duty before the expiration of the East India Company's charter, the putting up price was gradually lowered, whilst at the same time the revenue was kept up by the increased consumption, *White* 1469——Witness's impression is that if the duty were reduced to 1*s.* a lb. the consumption would increase 100 per cent. within five years, *ib.* 1476-1479.

The only limit to our exports to China is the power that we have of receiving tea in return; this power can only be increased by a reduction of the duty, *A. Matheson* 2745-2749——In order to increase the consumption of tea very much, the reduction of duty should be a liberal one, *Winch* 2953——A duty of 1*s.* per pound, which would be something like 90 per cent. upon the value, is as much as tea ought to bear, *ib.* 2953, 2954——As low a fixed duty as consistently with the interests of the revenue can be afforded, is the best system of duty, *ib.* 2992-2996——Confirmation of the evidence of Mr. A. Matheson, on the advantages which would result from the reduction of the duty, *J. Matheson* 3103, 3104——A reduction of the duty on tea to 1*s.* a pound would meet the exigencies of our working classes by lowering the price sufficiently, *Marling* 4054——Reasons for forming the opinion that the reduction of the duty to 1*s.* a pound would give the working classes a much greater reduction in price than the mere amount of the duty, *Wilson* 4304, 4305. 4309-4312——Looking at the increase of consumption that has taken place by the reduction of duty, and the effect of low duties in other countries, witness would recommend a still further reduction in the duty, *Brown* 4716.

3. *Opinion that the Duty falls peculiarly heavily upon the Consumer:*

Evidence to show that the duty falls with great weight upon the consumer in more ways than one, as he pays not only a profit on the article but also a profit on the duty, *Sir G. Larpent* 14-16——The amount of duty frequently adds considerably to the expense of sale; the consumer therefore pays a considerable additional cost on account of the payment of the duty, *Gregson* 209-211——Reason why the trade is more inclined to keep the high rate of duty than to reduce it, *R. Moffatt* 3433.

4. *Objection to any Reduction of the Duty:*

Witness has prepared a report on the tea trade; this report delivered in, *Martin* 3986——Witness differs from the opinions promulgated before this Committee with reference to the reduction of the duty on tea, *ib.*——The consumption of tea has increased immensely in this country irrespective of the duty, *ib.*——If the Government could afford to give up a portion of the 5,000,000*l.* of duty levied upon tea, it would be an experiment, but witness does not believe it would reduce the price or benefit the commerce of the country, *ib.*——Neither would it increase the consumption, *ib.* 3987, 3988.

5. *Export Duty in China:*

The export duty upon tea in China amounts to about 15 per cent., *Sir G. Larpent* 45-48.

6. *Papers laid before the Committee:*

Return showing the quantity of tea retained for home consumption in the United Kingdom, the rates of duty chargeable thereon, and the net receipt of duty from the Customs and Excise, *Norton* 240-244——Table delivered in of the comparative duties upon tea, coffee, cocoa, and sugar, with the view of showing that the duty on tea is very exorbitant when compared with any other article of necessity, *Winch* 3045-3052.

*See* also *Adulteration of Tea.* *Ad valorem Duty.* *Barter Trade.* *Bohea Tea.* *British Manufactures,* 3. *China Trade,* 2. *Consumption of Tea,* 2, 3. *Exports.* *Man,* Isle of. *Manchester.* *Native Produce.* *Native Shipments.* *Price of Tea.* *Rated Duty.* *Revenue.* *Scotland.* *Sugar.* *Supply of Tea.* *Tea Trade.* *Thom,* Mr. *Transit Duties* (China). *Woollen Trade.*

Report, 1847—*continued.*

E.

*East India Company.* Course of the China trade since the abrogation of the East India Company's monopoly, *G. Moffatt* 1122 *et seq.*——The abrogation of that monopoly has very much extended the business between this country and China, both as regards the imports from, and the exports to, China, *ib.* 1122——Evidence showing the price paid for tea in China by the East India Company in the last year of their monopoly; price obtained for this tea; the difference between the cost price and the selling price was nearly double, *ib.* 1125–1127——Comparison with this of the import of the tea in 1846; cost price of it in China; price realized for it in this country, *ib.* 1127, 1128——Copy of a treaty between the King of Siam and the East India Company, *App.* 458.

*See* also *Bohea Tea. Congou Tea. Duty on Tea*, 2. *Imports. Malwa Opium. Opium Trade*, 4. *Sycee Silver. Tea Trade. Woollen Trade.*

*Elliot*, Captain. See *Sales of Land*, 2.

*Emperor of China.* Letter from his Majesty the Emperor of China to the Queen of Great Britain, acknowledging the receipt of presents from Her Majesty and expressing friendly relations and feelings towards British subjects, *App.* 457.

*English Subjects.* See *British Residents.*

*Exports.* Reference by the Committee to the decline in the exports of cotton and woollen manufactures between the years 1845 and 1846, *Rep.* iii——Statement of the exports to China for each year from 1843 to 1846 both inclusive, *ib.*——Declared value of the exports to China in 1845; amount at which the loss upon these exports may taken; this loss would be about 15 to 20 per cent. taking them at the valued price of the sale in China, *Gregson* 129–131——Evidence respecting the unfortunate results of the exports from China, particularly in tea; evils resulting from the present high rate of duties, *Buchanan* 437.

Great falling off in the exports to China within the last two years, and causes thereof, *Farbridge* 975–998. 1019–1027——The allegation of the importing merchants in China has been that there has been a loss in the exports to China for the last several years, *G. Moffatt* 1129. 1261–1263——This may be evidenced by the continual fall in price which we have had here, while the prices in China have been maintained till within the present season, *ib.* 1129–1131. 1133–1136. 1261–1263.

Present state of the export of cotton manufactures to China, and probable effect of a reduction of the duty on tea to 1*s.* per lb., *App.* 445——Statement of the export of tea from Canton to the United Kingdom, commencing 1st July 1841 and ending 30th June 1842, *ib.* 486.

*See* also *British Manufactures*, 2. *Camlet Trade. China Trade. Cotton Trade. Duty on Tea*, 1. *East India Company. Hardware. India. Silk. Tea. Woollen Trade.*

F.

*Farbridge, Robert James.* (Analysis of his Evidence.)—Resident in Manchester; is a partner in houses in China, 921——Is therefore well acquainted with the China trade since the opening of it, 922——Witness's establishments are at Canton, Shang-hai and Hong Kong, 923——Information respecting the points referred to by Mr. Gibb relative to the land sales at Hong Kong, 924–949——How far the British Government prohibits foreign vessels that load in England with British dry goods from going to Hong Kong to sell their cargoes, 950–959——The only obstacle to the further expansion of the trade, as regards the competition of foreign manufactures, will be America, and this will only be in heavy goods, such as cotton twills and heavy domestics, 960–974.

Great falling off in the exports to China within the last two years, and cause thereof, 975–998. 1019–1027——There is no possibility of a further exportation of our manufactures to China without some alteration in the system of tea duties, 999. 1068–1071——Witness fears that there are no means of sending out our manufactures cheaper, 1000——The amount to be taken by the Chinese is limited by their power of paying; the trade is now almost entirely a barter trade, 1001——Reasons for forming the opinion that the Chinese can lower the price of their tea, 1002–1006. 1028–1030——Nature of the barter trade, 1007–1009——Evidence as to the supply of tea at Shang-hai, 1010–1013——Amoy is likely to become a place of great trade, 1014–1016——The quality of teas has rather degenerated since the war, 1017, 1018——Ability of the Chinese to supply us with tea to any extent, 1028–1030. 1053——Increase in the exports of woollens from this country to Shang-hai, 1031–1052. 1063–1067——Difficulties in the way of resorting to an *ad valorem* duty on tea, 1054–1061——Failure of the plan which was attempted of establishing banks at Shang-hai, 1062.

*Farms.* See *Hong Kong*, 3, 4, 5. *Opium Trade*, 3. *Provision Markets. Quarries. Salt. Snuff and Tobacco.*

*Fines.*

Report, 1847—*continued.*

*Fines.* See *Punishments.*

*Fisheries* (Hong Kong.) Particulars respecting the farming of the fisheries at Hong Kong, *Gibb* 844-847——Nature of the fishery farm; it does not bring much to the revenue, *Scott* 3739, 3740.——*See* also *Hong Kong*, 5.

*Fixed Duty.* See *Ad valorem Duty.* *Duty on Tea.* *Rated Duty.*

*Foo-Chow-Foo.* The city of Foo-Chow-Foo is decidedly the most thriving of the four northern ports, *Smith* 2843-2847——Report on the prospects of a British trade at Foo-Chow-Foo, by R. B. Jackson, 18 Jan. 1847, *Reid* 4314——Foo-Chow-Foo is not likely to become an important port for trade, *Braine* 4791-4795.

*Foreign Subjects.* See *Americans.* *British Residents.*

*Fort St. George.* See *Madras.*

*Fortune, Robert.* (Analysis of his Evidence.)—Curator of the physic gardens at Chelsea, 4092—— Has been lately in China, with a view to studying botany there; went there as agent to the Horticultural Society of London, 4092-4094——Result of witness's investigations as regards the tea plant in China, 4095 *et seq.*——The black and green teas of Canton are made from the Thea Bohea, and the northern teas are made from the Thea Viridis; both kinds are derived from the same plants, 4095, 4096. 4223-4235——Account of the provinces in which witness has been, and in which tea is cultivated, 4097-4102. 4113-4115——Difference between the tea sent to Russia and that sent to England; that sent to Russia is a very young tea, 4103-4109——Nature of the soil in which the tea plant grows; situations best suited for the cultivation of it, 4110-4111. 4170, 4171.

Extent to which the cultivation of tea might be extended in China if there were a greater demand for it in this country, 4112. 4144, 4145——The tea farms in China are very small, usually from half an acre to three or four acres, 4116, 4117. 4160-4169——Mode of cultivation, 4118——Process of manufacture of black and green teas, 4119, 4120. 4184-4214——The Chinese consume about four times the quantity of tea that we do, 4121——Frequency of piracy and land robberies in China, 4122-4132. 4273-4277——Length of time witness was resident in China; nature of his employment; particulars as to the way in which he travelled and as to his excursions into the interior of the country, 4133-4143.

Cost of bringing land into tea cultivation; length of time before the plants arrive at maturity; period during which the plants continue productive, 4144-4159. 4162-4169. 4172-4183——Further evidence as to the process of manufacture of black and green teas, particularly as regards the green tea; it is coloured with turmeric and Prussian blue, 4114. 4214. 4247-4251——Evidence respecting the present tea trade at Canton; the Canton tea is not liked in the British market, 4215-4235——The best green teas sent to this country are to the north, 4231-4233——The essential difference between the black and green teas is in the manufacture, 4233-4235.

The teas exported to Russia bear a higher price in China than those exported to England; being a younger tea, it is necessarily dearer; it is the finest tea in China, 4236-4242——Flowers used by the Chinese to give flavour to their teas, 4243-4246——Witness found the natives in the north particularly civil and kind, so far as he had anything to do with them; in the south, in Canton, they were just the reverse; opinion that we have spoiled them ourselves; they look upon us rather as conquerors than benefactors, 4252-4254——Witness is not aware of any British manufacture which might be introduced that has not already been introduced, 4255——The black teas sold in the shops in China are very good, 4259, 4260——The capabilities of China for supplying this country with raw silk are very great, 4261, 4262——Condition of the Chinese peasantry; how far they use our manufactures of cotton and woollen, 4263-4272——Feeling of the Chinese upon our restoring Chusan, 4278-4280——The shopkeepers would have been glad had we remained there; but the officers of the government and the people were glad to get us away, 4279, 4280.

*Fortune,* Mr. See *Ad valorem Duty.*

*France.* Exportation of tea by the French from Canton, from 1782 to 1807, *App.* 492——Quantity of tea imported into France in each year, from 1820 to 1824, and also in 1844, *ib.*——*See* also *British Residents*, 7. *Opium Trade*, 7. *Treaties.*

*Free Ports.* See *Hong Kong*, 1, 2, 3.

## G.

*Gardner, Robert.* (Analysis of his Evidence.)—Spinner and manufacturer at Manchester; has been engaged in the China trade, 1072, 1073——Way in which witness has felt the operation of the tea duties to be most injurious in his transactions, 1074-1079.

Report, 1847—*continued.*

*Garnett, Jeremiah.* (Analysis of his Evidence.)—Partner in the house of Garnett, Horsefall, & Company, spinners and cotton manufacturers of Clitheroe; are exporters to China, 3053-3055——Till within the last three years witness's firm have felt encouraged to go on with the China trade, but since that period the result has been very disastrous, 3056-3068——The power of consuming tea in this country is found practically to be the limit to the export of our manufactures, 3059——Nothing will make the trade to China profitable but either a great reduction in the export of goods to China or a great increase in the consumption of tea in England, *ib.*——This can only be effected by a very great reduction in the duty, *ib.*

[Second Examination.]—Evidence to show that in witness's case the state of the China trade has a direct influence upon the employment of the population, 3622-3633.

*Germany.* Evidence as to the consumption of tea in Germany; no Bohea tea is consumed there; the consumption is of a superior article by a superior class, *R. Moffatt* 3434-3437.

*Gibb, Thomas Augustus.* (Analysis of his Evidence.)—Has been settled in China some 10 or 12 or 14 years as a merchant and agent there; has been at Canton, and latterly up at Shang-hai; is last from Hong Kong, 488-490. 495-498——Is connected with a mercantile house, Gibb, Livingston, & Co., 491—— Has seen the trade with China under various circumstances for some years past, 492——Witness was a purser in the East India Company's service for some years previous to settling in China, 493, 494——Drawbacks to the extension of the trade with China, 499 *et seq.*——Difficulties the merchants experience in getting a return for anything they have for sale, 499——When the export of tea reaches pretty well the usual consumption of the country, the merchants have been afraid to make further purchases of tea, and they have latterly had no other article to any extent, *ib.*

The last two or three years witness's house has entered very largely into the trade in silk; their exports advanced from about 4,000 to 20,000 bales; value of these bales, 499-501——The price has not risen in consequence of the greater demand; the price of silk has been much lower the last 18 months in China, 502-507—— Proportion of the export of silk from the different ports in China, 504——Evidence generally as to the manufacture and price of tea in China, 523-545——Tea, the produce of the immediate neighbourhood of Canton, is of such an inferior kind that it cannot easily be converted to the use of the British market, 545-548——How far witness has made any calculations as to the amount of tea which is available in China, 549-553.

Rise in the price of Pekoe-flavoured Congous since the Company's time; the quality is now far superior to what the Company used to bring; last price of Pekoe Congous in China, 554-559——Length of time which would be required to produce any considerable increase in the supply of tea, 560, 561——Mode of conducting the trade with China; it is generally a barter trade; there are very few cash transactions; evidence in detail as to the mode in which the barter trade is carried out, 562 *et seq.*——The transit duties bear a very heavy proportion to the cost of the tea at the place of production, 587-590.

In disposing of their importations in China the merchants find a little competition from the American "domestics," 591. 594-599——There is also a little by the Russian woollens, but they are over-estimated, 592, 593-595——The Americans have no further advantage over the British merchants in dealing with China than that they have a greater command of hard cash in going into the market; they get their supply of cash from the opium trade, 600-610——Evidence as to the consumption of silk among the population of China; they could supply us with any quantity without materially interfering with the price, 611-623——Evidence as to the great difficulty experienced in getting information as to what is going on in the interior of China, 624-627. 632, 633——The bad conduct of the Chinese towards foreigners is principally in the neighbourhood of Canton; near Shang-hai the people are perfectly well disposed, 628, 629.

The wealth amongst the native merchants in the north is not at all equal to what it is among the Canton people, 630—— The opening of the trade has brought down a great many mercantile settlers; they have been great sufferers in the first 18 months of the trade, 631——Evidence as to the water communication in the district of Shang-hai, 634-644——When we first sent our goods to Shang-hai we obtained sycee silver readily, 645-6——The effect of the low prices at which articles have been sold in China has been to push English articles into new districts, 647-657.

Particulars as to the export of quicksilver from China, 658, 659——The export of Sycee has been productive of great inconvenience to the Chinese government, 660-663——How far we have imported salt into China, 664——The export of hardware from this country to China has fallen very much below the expectations of the exporters, 665——Enumeration of the articles of export and import which have been introduced under the changed state of affairs since the opening of the trade, 666-668——Reasons for the falling off of Hong Kong as a place of commercial transactions; remedies suggested; the farming of the opium is one principal obstacle to its prosperity, 669-709——The Chinese

Report, 1847—*continued.*

*Gibb, Thomas Augustus.* (Analysis of his Evidence)—*continued.*

Chinese government has entertained the idea of admitting opium at a low rate of duty; opinion that in a short time this will be carried into effect, 710-713.

Piracy is carried on to a fearful extent on the coast of China; between Hong Kong and Canton there is great obstruction to the British trade from this cause, 714-722. 727, 728——The authority of the Government is exceedingly weakened by the result of their engagements with England, 723-726——Evidence generally as to the operation of the Registration Act in China on the commerce between this country and China; original object of this Act, 729-736——The manner in which building land has been sold in Hong Kong has affected British merchants very injuriously; way in which it has affected them; instance given, 737-745. 756-811—— Particulars as to the purchase of land by witness at the sale at Hong Kong, under Sir H. Pottinger, in 1844; evidence to show that the Government did not comply with the conditions of such sale, 737 *et seq.*—— A remonstrance has been made to our Government on this subject by the British merchants; no reply has been received to this remonstrance, 738. 746-755——The regulations made at Hong Kong have thrown the trade into the hands of the Portuguese, 812, 813——There are no Americans at Hong Kong; they are all at Macao; the Portuguese resident settled at Macao has no advantage over the English merchant at Hong Kong, 815.

How far Macao is more advantageously placed as a depôt than Hong Kong, 816—— It would supply all the western coast of China more readily, but it wants harbour room; it has not the splendid harbour that there is at Hong Kong, 816, 817——There is no registration system, nor are any passports necessary at Macao, 818-822——The establishment at Hong Kong is in a state of extreme decay, 823——Rent paid for land in Hong Kong, 824-828——Evidence with respect to the opium farming; course taken in dealing in opium; the opium farm interferes materially with the wholesale trade, 829-835—— The introduction of opium has led almost invariably to the introduction of British exports, 836——Snuff and tobacco are also farmed out by the Government, 837——The open provision markets are farmed out to some of the Chinamen, 838-842——The quarries are farmed, 843.

There is no account published at Hong Kong of the annual receipts of the colony, 844, 845——Particulars respecting the farming of the fisheries, 844-847——Witness has found no difficulty in carrying on the trade at Shang-hai; it is a very favourable place; the water communication is very great, 851-854——The impediments to trade at Hong Kong are not such as the British Government could remove; they arise from the inherent ill-feeling of the inhabitants generally to foreigners, 855——By our treaty we are allowed to have intercourse in the city of Canton and all round the suburbs, but in fact the intercourse is more confined than ever, 856. 859-869——This is to be attributed to the conduct of the people, and to the weakness of the authorities in controlling them, 857, 858. 870, 871. 873——The difference in the treatment of foreigners at Canton and at Shang-hai arises from the different character of the population, 872——On the arrival of a British ship at Canton the commander is obliged to present his manifest to the consul within twenty-four hours, 874-876——Witness is not aware that this has ever been considered a grievance, 877.

[Second Examination.]—Further particulars as to witness's purchase of land at Hong Kong in 1844; 1798-1849.

[Third Examination.]—Remarks on witness's former evidence respecting the sale of land at Hong Kong, in January 1844; correspondence on the subject delivered in, 3227 ——Reference to a statement made by Mr. Strachan to witness, respecting an arrangement that was made between himself and the land officer as to his not being required to retain all the lots he purchased; evidence as to how far Mr. Strachan did throw up some of his lots, 3227-3237——Grounds for witness considering that the sale was collusive, 3228-3237. 3239-3244——The conditions of the sale had not been published in the papers prior to the sale, 3238——The merchants had great reason to be dissatisfied with Hong Kong from the disappointments they experienced, 3244——They had reason to believe it would have been the great depôt for China, *ib.*——It would have been so if the Government had carried out the intention of making it a free port, 3244-3249.

*Gibb,* Mr. See *Sales of Land,* 2.

*Gordon, Alexander Thomas.* (Analysis of his Evidence.)—Filled the office of surveyor-general at Hong Kong from the end of December 1842 to November 1846; 3128-3130 ——Sir Henry Pottinger was governor of Hong Kong when witness took office, and the governor when witness resigned was Sir John Davis, 3131, 3132——Particulars respecting the first sale of land at Hong Kong under Sir Henry Pottinger, in January 1844; conditions of the sale which were published; mode in which the rent of the land so sold was adjusted and determined, 3133, 3134. 3137-3140. 3145. 3171-3174. 3225——There were holders of land prior to this sale; one of those was Mr. Gibb, of the firm of Gibb, Livingstone & Co., 3135, 3136——This land had been granted to him under certain conditions, by Mr. Johnstone, deputy-governor, during Sir H. Pottinger's absence, 3141-3144——There were also some holders of land which had been granted by Captain Elliot,

Report, 1847—*continued.*

*Gordon, Alexander Thomas.* (Analysis of his Evidence)—*continued.*

3144——Steps which were taken by the Government after the sale to communicate to the parties the rent they had to pay, 3146-3151——Witness is not aware of any remonstrance having been addressed to Sir Henry Pottinger by Mr. Gibb, as to the price put upon the land, 3152. 3156-3158. 3161-3164. 3210-3214.

Explanation with respect to a remonstrance which was addressed to Sir H. Pottinger on the subject of the tenure, 3152, 3153. 3159——Witness never heard any complaint as to the rent, nor as to the mode in which the bidding for the land was conducted, 3154, 3155. 3165, 3166——A committee was appointed to inquire into the subject, both as to the grant of land and the subsequent sale; this committee reported; the report was not published, but the terms of the tenure which that report recommended were made public; there would be no objection to the whole report being made public, 3167-3170. 3200, 3201——None of the parties who bought land at this sale have repudiated their purchases, 3177, 3178. 3221-3224——Evidence respecting the purchase of land at this sale by Mr. Strachan, a clerk in the house of Gemmell & Co., merchants at Canton, 3179-3199. 3215-3220——Refusal on the part of the Crown to confirm, as a matter of right, the grants made by Captain Elliot in 1841; 3202-3204——The granting of leases at Hong Kong for a longer period than seventy-five years would be a great encouragement to the settlement of British merchants, 3205-3209——This would greatly have assisted the development of our commercial relations in the colony, 3205.

[Second Examination.]—There were no conditions that were not strictly fulfilled; the terms of the sale prepared by the legal officer were all specified in the lease, 3250——Further evidence respecting the purchases made by Mr. Strachan, 3251-3258.

[Third Examination.]—Statement with regard to the notification of the terms of the sale of lands in January 1844; 3363 *et seq.*——The notification of sale was dated 12 December 1843, and in the Gazette of 14 December it was notified that the terms of sale might be seen in witness's office fourteen days prior to the sale; applications were made for the inspection of them, 3363-3374.

[Fourth Examination.]—Further evidence as to the terms upon which the lands in Hong Kong were sold under Captain Elliot, 3872-3890.

*Gordon,* Mr. See *Sales of Land,* 3.

*Gott, John.* (Analysis of his Evidence.)—Of the firm of Benjamin Gott & Sons, extensively engaged in the woollen trade at Leeds, 1881, 1882——Opportunities witness has had of judging of the value of the China trade to the woollen manufactures of this country, 1883——Previously to the restrictions being taken off witness's firm were engaged in the trade to a certain extent as regarded the American supply, and subsequently they have followed it out more largely, *ib.*——The trade has not increased since the restrictions were removed to the extent that was expected; evidence as to the former and present state of the trade, 1884-1890——The Chinese themselves are not manufacturers of woollens at all, 1891——Principal ports of China to which the exports of woollens have gone, 1891-1894.

Decrease in the woollen trade to China; this decrease may be attributed to the increase in the cotton trade, 1895-1897——How far the competition of Russia acts against us in China, 1898-1902. 1910-1918——Causes to which witness would look as likely to extend the trade in woollens with China, 1904——If there were a greater facility given to the reception of what they have to give us in return, the trade in woollens would materially increase, 1904-1909.

The duties which attach to the conveyance of woollens from the port to the northern districts of consumption are very moderate, 1919-1921——Ordinary woollens have been imported from Germany to this country, and sent out from hence to China, 1922——The circumstance of German woollens being able to compete with British, with the additional charges from Germany to this country, may be attributed to their being manufactured cheaper, 1923-1928——It would be a great advantage to this country if a greater facility were given for the reception of the produce of China, 1929-1939.

*Government Officers.* The object of the salaries of the Government authorities in China being high in amount was, that all the officers should be placed in such a position as to inspire the respect of the Chinese government, *Malcolm* 4636-4638——Ever since the Treaty of Nankin nothing could have been more perfect or courteous than the conduct of the Chinese officers towards the higher British authorities in China, *ib.* 4646-4648.

*Gray Shirtings.* Statements delivered, showing that since 1844 the prices obtained for the great staple article of gray shirtings, at Shang-hai and Canton, have almost always been remunerative, and that therefore the decrease in the shipments has not arisen from losses in the sale of the goods in China, *C. Rawson* 1860-1866.

*Green Tea.* Great increase in the consumption by the higher classes of green tea; viz. Hyson, Young Hyson, Gunpowder, and Imperial, *Crawfurd* 2419——Evidence as to the relative consumption of green teas, *R. Moffatt* 3411-3413——It is witness's opinion that all the green tea introduced into this country is a preparation and not a natural production,

Report, 1847—*continued.*

*Green Tea*—continued.

tion, *Sigmond* 3549. 3584, 3585——The green tea sent to the British market is, generally speaking, deleterious; evidence in detail as to the mode in which it is prepared; presence of prussic acid in it, and also of theine and gypsum, *Sigmond* 3550–3574. 3582–3585——Green tea has an injurious effect upon the human system; cause of this, *ib.* 3551, 3552. 3556–3562. 3582, 3583——The vulgar notion of green tea obtaining its colour by being dried on copper is quite erroneous, *ib.* 3586.

Evidence as to the process of manufacture of black and green teas, particularly as regards the green tea; they are coloured with turmeric and Prussian blue, *Fortune* 4184–4214. 4247–4251——The best green teas sent to this country are from the north of China, *ib.* 4231–4233——The essential difference between the black and green teas is in the manufacture, *ib.* 4233–4235.

*See* also *Gunpowder Tea.* *Hyson Tea.* *Manufacture of Tea.*

*Gregson, Samuel.* (Analysis of his Evidence.)—Deputy chairman of the East India and China Association, 127——Acts as East India agent chiefly for the sale of teas and other goods from China, and for the export of goods from this country, 128——Statement with regard to the import and export trade with China, 129 *et seq.*——Declared value of the exports to China in 1845; amount at which the loss upon these exports may be taken; this loss would be about 15 to 20 per cent., that is, taking them at the valued price of the sale in China, 129–131——The reduction there would be in the price obtained, if money were actually paid for these goods instead of barter, would be about 15 per cent., 132–136——Fluctuations in the price of tea in China; upon the whole, the transactions with China have not been profitable, 140–163——Cost of the coasting transport from Shang-hai to Hong Kong or Canton, 164–167.

Evidence as to the disputes which have arisen with respect to the quality of the teas sent home from China; the number of brokers who are really well informed as to the different qualities of tea is very considerable, 169–176——Strong objections urged against an *ad-valorem* duty on tea, 177–204——There is a general indisposition among the trade to buy at public sales, 207——Public sales obstruct the circulation of tea very considerably, 208——The amount of duty frequently adds considerably to the charges of sale; the consumer therefore pays a considerable additional cost, on account of the payment of the duty, 209–211.

Statement as to the profit of the China trade to the shipowner, 212——He has generally obtained a rate of freight that has been remunerative; the freights are now rising very much, 212, 213——Evidence as to the average cost of Congou tea in China, 214——The consumption of tea in Australia per head is about ten times as much as it is in this country, 215, 216——The trade in silk varies very much, and is very irregular, 217, 218——Sugar has been imported from China to a limited amount, profitably, 219, 220——There is not much cassia lignea imported from China, 221——The duty does not fall very oppressively upon any article in the China trade except tea, 222.

There have been great losses upon the exports of cottons and woollens from this country, 223–225——The opium is chiefly paid for in bullion, in sycee silver, 226–236——The reports are, that it is nearly all drawn out of the country, 226——The exports from China to India are very small, 237.

*Ground Rents.* See *Hong Kong*, 3.

*Gunpowder Tea.* Great increase in the consumption of gunpowder tea, *Crawfurd* 2419.

## H.

*Harbours.* See *Cumsingmoon.* *Hong Kong.* *Macao.*

*Hardware.* The export of hardware from this country to China has fallen very much below the expectations of the exporters, *Gibb* 665.

*Hawkers of Tea.* If tea were reduced to a moderate price there would be an enormous increase in the trade of hawkers of tea, *Law* 1515, 1516.

*Hemp.* See *Chinese Grass.* *Native Produce.*

*High Priced Teas.* A very large proportion of barter takes place even as regards the high-priced teas, *Sir G. Larpent* 121, 122——The effect of the duty on all classes of tea being the same, is to force all people to consume the highest classes only, *Crawfurd* 2419——Reasons why the importation of finer teas has increased in a larger proportion than that of lower teas, *ib.* 2451–2455.

*Higher Classes.* See *Consumption of Tea*, 1.

*Holland.* We supply the Dutch largely with tea, *R. Moffatt* 3439, 3440——Quantity of tea exported from Canton by the Dutch, from 1783 to 1808, *App.* 488.

Report, 1847—*continued.*

*HONG KONG:*

1. *Generally.*
2. *Former prosperous State of the Colony; Expectations formed that it would become a place of great Trade.*
3. *Decay of the Colony; Circumstances which have led to this State of Affairs.*
4. *How far its Prosperity might be restored; way in which this might in part be accomplished.*
5. *Unsatisfactory and prejudicial manner in which the Revenue of the Colony is raised; Suggestions as to the Mode in which it should be raised.*
6. *Papers relative to Hong Kong laid before the Committee.*

1. *Generally:*

The country trade at Hong Kong has diminished, *Wilkinson* 1354——This may be attributed to the proximity of the provincial city, *ib.* 1355, 1356——Hong Kong possesses one of the best harbours in China, *A. Matheson* 1943——The native trade formerly passed through the harbour of Hong Kong; this has now ceased, *ib.* 2186, 2187——The main cause of its ceasing is the dread of the preventive service kept up by the opium farmer, *ib.* 2188–2194. 2196–2199.

Opinion that Hong Kong is not more insalubrious than any other of the five ports, *Smith* 2859, 2860——Evidence showing that Hong Kong is not an unhealthy situation, *Malcolm* 4665, 4666——Evidence as to the revenue and Expenditure of Hong Kong, *A. Matheson* 2378–2401——Communications between the governor of Hong Kong and the Chinese authorities are carried on through the consul at Canton, *ib.* 2404–2410——Fact which has come to witness's knowledge, showing that the system of making Hong Kong a free port has not been carried out, *Brown* 4911.

2. *Former prosperous State of the Colony; Expectations formed that it would become a place of great Trade:*

Prosperous state of the trade of Hong Kong from 1841 to 1843, *A. Matheson* 1943——When the first Europeans settled at Hong Kong, the Chinese showed every disposition to frequent the place, and there was a fair prospect of its becoming a place of considerable trade, *ib.*——Up to 1843, Hong Kong was literally a free port, *ib.*——Had the same unrestricted freedom gone on, it would inevitably have become a place of great trade, *ib.*

How far, upon the whole, Hong Kong was well chosen as the deposit of the British trade, *A. Matheson* 2333–2335——Although the cession of Hong Kong to the British was expressed in the treaty, as "for the purpose of careening and fitting ships, and keeping stores there for that purpose," the expectation was entertained that it would become a great emporium for trade, *ib.* 2667, 2668——These words were merely put in to pacify the Emperor, *ib.* 2668, 2669——Hong Kong is an admirable place of rendezvous, and as a free port, could not fail to be highly beneficial to this country, and ultimately not a source of expense, *J. Matheson* 3123–3125——Respectable Chinese showed a disposition to settle in the island at first, but they have all since left, *Scott* 3661–3666——Witness fears very much that Hong Kong will not be a place of great trade; impracticability of removing the tea and silk trade from Canton to Hong Kong, *Balfour* 4480, 4481——Witness would wish to see Hong Kong considered as the centre of our political relations with China, *ib.* 4510, 4511.

Circumstances which led to the selection of Hong Kong as the place to be stipulated for as a British possession; witness considers it far preferable to Chusan, *Malcolm* 4570–4595——In a political point of view, witness looks upon Hong Kong as especially important, as well as for the general protection of our trade, *ib.* 4587–4595——Evidence to show that the statement which has been made by the merchants in a memorial to Lord Stanley, that Sir Henry Pottinger had done all in his power to force them to settle at Hong Kong, is void of foundation, *ib.* 4608——Impossibility of making Hong Kong bear locally the whole expense of the maintenance of the establishment there, *ib.* 4611, 4612.

3. *Decay of the Colony; Circumstances which have led to this State of Affairs:*

From Hong Kong we cannot be said to have derived directly much commercial advantage, nor indeed does it seem likely to become, by its position, the seat of an extended commerce, *Rep.* viii——Reasons for the falling off of Hong Kong as a place of commercial transactions; remedies suggested; the farming of the opium is one principal obstacle to its prosperity, *Gibb* 669–709——The establishment at Hong Kong is in a state of extreme decay, *ib.* 823——In 1843 peace was proclaimed, and Kong Kong was regularly ceded to us, *A. Matheson* 1943——A formal government was then established, great expenses were incurred, and it became the study of the Government to raise as large a revenue as possible to meet these expenses, *ib.*——The only means resorted to for raising a revenue

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Report, 1847—*continued.*

*HONG KONG*—continued.

3. *Decay of the Colony, &c.*—continued.

up to the departure of Sir H. Pottinger were the land sales; but the police practised various modes of defrauding the Chinese settlers, *A. Matheson* 1943——From this time may be dated the reverses of Hong Kong, *ib.*

The merchants at Hong Kong have had great reason to be dissatisfied from the disappointments which they have experienced, *Gibb* 3244——They had great reason to believe that it would have been the great depôt for China, *ib.*——It would have been so if the Government had carried out the intention of making it a free port, *ib.* 3244–3249——Witness confirms the evidence he has heard with respect to the unsatisfactory state of the trade at Hong Kong, *Kerr* 3376——Witness assigns its decay chiefly to the high ground-rents, the farming of the opium and other articles of general consumption, and the abuses of the police there, *ib.* 3377——The restrictions upon the trade with the coast of China are also injurious, *ib.* 3378——At the present time there is no trade whatever at Hong Kong, *ib.* 3393——Previous to the farming of the opium there was a small trade springing up, *ib.*

State of Hong Kong at present, *S. Rawson* 3464——Most of the firms who purchased land originally are thinking of leaving the colony and taking up their quarters at Canton, *ib.* 3464——Principal causes of complaint at Hong Kong, *ib.* 3465——Many of the Government regulations have been carried out much against the wish both of the English residents and of the Chinese, *ib.*

The colony of Hong Kong is at the present time in as depressed a condition as it can possibly be, *Scott* 3637——The cause to which this may be attributed is the absence of respectable Chinese inhabitants, *ib.* 3638——This arises, first, from the harshness shown to the early Chinese settlers in respect of the occupation of lands, *ib.*—Secondly, from vexatious regulations appertaining to matters of police, *ib.*—And, thirdly, from the mode in which the revenue is raised, *ib.*——Evidence in detail in explanation of witness's meaning as to the harshness shown to the Chinese settlers in the occupation of lands, *ib.* 3639–3666——Evidence as to the vexatious regulations appertaining to matters of police, *ib.* 3667 *et seq.*——The land is being abandoned in large quantities, *ib.* 3862——A large extent of warehouses called the Albany Godowns, the property of a joint-stock company, has been thrown up, *ib.* 3863.

Witness never, from the first moment, expected that Hong Kong would become a commercial depôt, *Martin* 3908. 3991–3994——The trade at Canton is entirely independent of Hong Kong, and the northern ports being open to us, no depôt is likely to be formed at Hong Kong for the purpose of carrying on trade, *ib.* 3909——The formation of a colony at Hong Kong, containing the most dissolute Chinese, is a discredit to us, and operates injuriously in our relations with the Chinese government, *ib.*——Evidence as to the circumstances which have led to the decay of the colony of Hong Kong, and as to how far it is likely to be restored to a state of prosperity, *ib.* 3991–3994.

4. *How far its Prosperity might be restored; way in which this might in part be accomplished:*

Suggestions of the committee generally for the better regulation of the colony of Hong Kong, *Rep.* viii——Though it would take years to repair the evils which misgovernment has brought upon Hong Kong, still witness is of opinion that a prudent course would restore its prosperity and make it one of the principal mercantile emporia in the world, *A. Matheson* 1943——Mode in which such a desirable result might be brought about, *ib.*——All the farms now in existence should be abolished, and all the wretched taxes now levied be discontinued, *ib.*——Reductions witness would propose in the establishment at Hong Kong, with a view of curtailing the expenses of the colony; system of government he would suggest, with observations as to the most desirable mode in which the revenue might be raised, *ib.* 2146–2185——The cost of the colonial government at Hong Kong is a subject of general complaint among the merchants there, *ib.* 2180–2184——Further suggestions as to the mode in which the trade with Hong Kong might be revived, *ib.* 2686–2693——If the trade of Hong Kong were to revive, the trade in British manufactures would also revive, *ib.*

Hong Kong ought to be put in somewhat the same light as our ambassadors' residences at Madrid, Paris, or Vienna, *A. Matheson* 2372——Witness looks upon the governor of Hong Kong more as ambassador of Hong Kong in China, than merely the governor of Hong Kong, *ib.*——As he cannot go to Pekin the Government must find him a residence elsewhere, *ib.*——Hong Kong is a necessary part of the expenses of the British embassy in China, which ought to be borne by the nation as such, *ib.* 2372–2377——Suggestions as to the mode in which the municipal administration of Hong Kong might be improved; a freedom from taxation and monopoly would be the only way of making Hong Kong flourishing; the commercial regulations are very injurious; prejudicial effects of the 13th article of the treaty with China, *Stewart* 3279–3324——It is by no means necessary to maintain the present civil and military expenditure at Hong Kong, as a protection to our China trade, *Martin* 3910–3912——How far there are any means of deriving better results from the colony, *ib.* 3913. 3991–3994; *Balfour* 4827–4833——How far, when witness visited Hong Kong in 1846, he considered it in an improving condition, *ib.* 4834, 4835.

Report, 1847—*continued.*

*Hong Kong*—continued.

5. *Unsatisfactory and prejudicial manner in which the Revenue of the Colony is raised; Suggestions as to the Mode in which it should be raised:*

It is a most unadvisable course for the Government to attempt raising any other revenue than the land-rents, *A. Matheson* 1943——At any rate until the colony has advanced considerably in wealth and population, *ib.*——There is no objection on the part of the merchants at Hong Kong to a revenue being derived from land, *ib.* 1951——Examination generally with respect to the various sources of revenue in the colony, and as to whether any and what objections are and may be urged against them; reference to and observations on these items severally, *ib.* 2025 *et seq.*——At this moment the government of Hong Kong is a loser by the farms, *ib.* 2365-2371.

Reasons why the system of farming the revenue, as adopted at Singapore, could not be applied to Hong Kong, *Crawfurd* 2529-2535——The best means to be adopted as regards the revenue would be long leases and annual rents, *Stewart* 3324-3333——Evidence as to the mode in which the revenue is raised in Hong Kong being one cause of the depression of the colony, *Scott* 3706 *et seq.*——It is raised upon the monopoly system; there are five farms in the island; the opium farm, the salt-weighing, the stone quarrying, the markets, and the fishing, *ib.* 3706-3709——Way in which these farms are let; average produce, *ib.*

System pursued in the salt-weighing farm; abuse in the system of letting the markets; nature of the fishery farm; it does not bring much to the revenue, *Scott* 3732-3740——Evidence generally as to the other various sources of revenue in the colony, such as spirit licences, pawnbrokers' licences, registration of boats, fines and fees of magistrates' courts, duties on sales by auction, &c., *ib.* 3740-3746——Witness would prefer levying the revenue by a land rent to any other system, *ib.* 3747-3749——There is no doubt that if the farms were done away, the land revenue of Hong Kong might be improved, *ib.* 3861——At the time the last mail left there were 288 writs of summons out for land-rents, *ib.*——Nothing can be worse than the system under which the revenue is raised there; the land-rent would be the best system and the easiest of collection, *Malcolm* 4613-4626.

6. *Papers relative to Hong Kong laid before the Committee:*

Papers relative to the island of Hong Kong, *App.* 374 *et seq.*——Revenue of Hong Kong during the year 1845, *ib.* 388——Expenditure of the colony of Hong Kong for the year ended 31 December 1845, *ib.* 389——Letter from Sir J. Davis, Governor of Hong Kong, to Sir G. Grey, on the state of the colony of Hong Kong, containing particulars as to the revenue and expenditure; the legislation; population; climate of the colony, &c., *ib.* 432-434——Revenue of the colony of Hong Kong during the year 1846, *ib.* 434——Expenditure of the colony of Hong Kong during the year 1846, *ib.* 435——Estimate by Sir J. Davis, of the revenue of Hong Kong, for the year ending 31 March 1848; *ib.*——Estimate framed by Sir J. Davis, of the expenditure for the year 1847-48, *ib.* 436——Civil establishment of the island of Hong Kong for the year 1847-48, as submitted to the House of Commons, on 31 March 1847, *ib.* 439——Report on the island of Hong Kong, by Mr. R. M. Martin, transmitted to Governor Davis for Lord Stanley, 24 July 1844, *ib.* 445.

*See* also *Americans. Bonding System. British Residents,* 4. *Cumsingmoon. Fisheries. Junk Trade. Macao. Namoo. Navigation Laws. Opium Trade. Piracy. Police. Portuguese. Post Office Regulations. Provision Markets. Quarries. Registration System. Sales of Land. Salt. Shang-hai. Taxation. Treaties.*

*Hyson Tea.* Great increase in the consumption of Hyson tea, *Crawfurd* 2419.

*Hyson, Young.* Great increase in the consumption of Young Hyson, *Crawfurd* 2419.

I.

*Imperial Tea.* Great increase in the consumption of Imperial tea, *Crawfurd* 2419.

*Importers of Tea.* In the event of any opinion being entertained that, in order to convert that into a profitable trade which has hitherto been a losing one, it is necessary that some part of the reduction should go to the benefit of the merchant in increase of price, *Rep.* vii——The answer is, that the mere interest on the duty, if reduced from 2*s.* 2½*d.* to 1*s.*, would of itself be nearly enough to make the difference between a losing and a living trade; and the whole benefit of the reduction would still be left to the consumer, *ib.*——The importers of tea, during the last four years, have been considerable losers, *White* 1470-1473.——*See* also *Ad-valorem Duty.*

Report, 1847—*continued.*

*Imports.* Statement of the recognised imports into China, in English ships, in American ships, and from all other countries, *Rep.* iv——The imports into China, generally speaking, are in exchange for manufactures, *Norton* 322-326——The imports from China have increased nearly 100 per cent. since the abrogation of the East India Company's monopoly, *G. Moffatt* 1122——Up to 1844 there was the largest increase; since that period there has been a decline, *ib.*——Great decline in the year 1846; this may be attributed to its having proved a losing trade the previous year, *ib.* 1122, 1123——There has been a considerable increase in the importation of minor articles from China, *ib.* 1142——But there is no article except tea and silk which forms any item likely to disturb the balance of trade, *ib.*——Increase in the importation of tea in the last thirteen years, *R. Moffatt* 3446, 3447.

Import deliveries, and stock of tea in the United Kingdom, for the years ending 31 December 1845, 1844, and 1843, *App.* 484——Quantity of tea imported from China into the United Kingdom since the year 1669; rates of duties levied; quantities retained for home consumption; revenue received; average price per pound, &c., by R. M. Martin, *ib.* 501.

*See* also *China Trade*, 1. *East India Company. Salt. Silk. Sugar.*

*India.* The exports from China to India are very small, *Gregson* 237——Statement showing a portion of the trade between India and China in 1844-45, *Prideaux* 4712-4714——Difficulty experienced in ships from India carrying on a direct trade from China to England; remedy suggested, *Balfour* 4860-4864——Increase of the trade between India and China, *ib.* 4866——If the export duty which is at present levied from India to China were removed, it would cause a still further increase; way in which it is an impediment to the English interest as well as the Chinese, *ib.* 4867-4871——Statement of the export trade to China from the presidencies of Bengal, Fort St. George, and Bombay, the two former from 1833-34 to 1844-45, and the latter from 1833-34 to 1845-46 inclusive, *App.* 510——Statement of the import trade from China at the presidencies of Bengal, Fort St. George, and Bombay; the two former from 1833-34 to 1844-45, and the latter from 1833-34 to 1845-46 inclusive, *ib.* 516.

*See* also *Bengal. Bombay. East India Company. Cotton Trade. Opium Trade*, 4.

*Internal Communication* (China). Evidence as to the water communication in the district of Shang-hai, *Gibb* 634-644——Evidence respecting the canal communication in China, *Balfour* 4409-4411. 4420-4427.

J.

*Japan.* A great deal might be done with respect to our trade with China by opening collateral intercourse with the nations surrounding China, especially as regards Japan; information as to our former relations with that country, *Martin* 3952-3961——Translation of a grant of privileges conceded by the Emperor of Japan to the English, A. D. 1613, *App.* 457.——*See* also *Shang-hai.*

*Java.* See *Supply of Tea.*

*Johnstone*, Mr. See *Sales of Land*, 3.

*Junk Trade.* Cause of the loss of the junk trade at Hong Kong, *Wilkinson* 1356-1358; *A. Matheson* 1943——Particulars respecting the coasting junk trade of China, *Crawfurd* 2536-2538——Evidence as to the effect of the treaties in exterminating the junk trade, *A. Matheson* 2641-2643——Evidence respecting the junk trade in China, *Balfour* 4897-4900.——*See* also *Singapore.*

K.

*Kerr, Crawfurd.* (Analysis of his Evidence.)—Has been a merchant in China eleven years, at Canton, and in Hong Kong; of the house of Lindsay & Co., 3334-3336——Was present at the sale of land in January 1844; statement as to the terms of the sale; there was no public notification of the terms, but merely of the sale, 3337-3356——At the time of these sales rents were run up in consequence of parties attending the sale, and purchasing lots without the remotest intention of taking up the leases, 3338——The only mode by which the conditions of the sale could be ascertained was by taking up the leases, 3357-3361——Great eagerness was shown to possess the lots, 3362.

[Second Examination.]—Witness confirms the evidence he has heard with respect to the unsatisfactory state of the trade at Hong Kong, 3376——And assigns its decay chiefly to the high ground-rents, the farming of opium and other articles of general consumption, and the abuses of our police there, 3377——The restrictions upon the trade with the coast of China are also injurious, 3378——As is also the registration, 3379——The police system and the registration system are very objectionable to the Chinese; mode in which these systems affect the respectable Chinese, and drive them away from the island, 3380-3392——The present population of the island is the lowest

Report, 1847—*continued.*

*Kerr, Crawfurd.* (Analysis of his Evidence)—*continued.*

of the low, 3382——At present there is no trade whatever at Hong Kong, 3393——Previous to the farming of the opium there was a small trade springing up, *ib.*

[Third Examination.]—Statement with respect to our present position at Canton, which is quite as bad, if not worse, than previous to the war, 4281–4286——Information with regard to the effect of the opium trade upon our commerce with China, 4287–4293.

L.

*Labouring Classes.* Advantages which would arise to the workpeople from a reduction in the price of tea; it would have a beneficial effect upon their morals, and at the same time increase their comforts, *Bazley* 882, 883——The people are much more sober since tea has been cheaper, *ib.* 883——Price the workpeople generally pay for tea; particulars respecting a co-operation shop witness's workpeople have on one portion of his establishment; mode in which conducted; articles sold; prices paid, &c., *ib.* 884–889. 902, 903——Small consumption at the present time of tea per head by the workpeople, *ib.* 890. 898——There is a general increasing desire to consume tea amongst the lower classes, *White* 1463–1468; *Beggs* 3608–3615.

Proportion of a working man's wages spent in tea, when employment is plentiful and wages good, *Law* 1487——If the duty were reduced to 1 *s.* per pound they would generally use more of it than they are able now to do, *ib.* 1488——The poor may be considered, generally speaking, consumers of a better class of tea, and not simply the lower qualities, *R. Moffatt* 3397——Tea is the very best fluid that can be taken by the manufacturing population, *Sigmond* 3591–3593——The cheapening of the comforts of life is one of the best ways of counteracting the prevalence of intemperance, *Beggs* 3598, 3599——Statement of circumstances bearing out this opinion, *ib.* 3600–3607——Present charge to a working man for a cup of tea or coffee at the coffee-shops, *ib.* 3609–3613——The consumption of tea in a poor man's family varies very much, *ib.* 3616, 3617——Attempts have been made to sell such articles as tea at a moderate price, by means of co-operative societies, but they have failed, *ib.* 3618, 3619.

Evidence to show that in witness's case the state of the China trade has a direct influence upon the employment of the population, *Garnett* 3622–3633——The labouring classes generally use the middling and better descriptions of tea, *Christie* 4068. 4080——Result of witness's experience of the effect on the consumption of tea of the state of prosperity and success of the working classes, *ib.* 4071——During the twenty-eight years that witness has conducted a large trade amongst the poor in Westminster he has found that the consumption of tea has varied with the price, *Wilson* 4295–4303——The working classes consume a much larger quantity of tea, in proportion to their means, than the higher classes; they generally prefer it to coffee, *ib.*——A reduction of the price would be of great consequence to the poorer classes, *ib.* 4296.

*See* also *Ad-valorem Duty. Bohea Tea. Congou Tea. Consumption of Tea*, 1. *Duty on Tea*, 3.

*Land Rents.* See *Hong Kong*, 5.

*Land Sales.* See *Sales of Land.*

*Larpent*, Sir *George G. de Hochepied*, Bart. (Analysis of his Evidence.)—Chairman of the East India and China Association in London, 1——Has had occasion in that capacity to call the attention of Government to various points connected with our commercial relations with China, on behalf of the association, in 1844, 1845, and 1846; 2——This has been the case, especially as regards the duties upon tea, *ib.*——Memorials were presented to Sir Robert Peel, and subsequently to Lord John Russell, on the subject, *ib.*——Outline of these memorials, stating the grievances of which the China trade complains, 3 *et seq.*——Evidence to show that since the opening of the trade, it has been a most losing trade in the last two years, in both its parts, namely, upon the goods exported to China, and upon the tea imported from China; the trade being a complete barter trade, 3–6——How far this would have been the case if the remittances had been in bills of exchange, 7, 8.

By the introduction of tea into Europe, there is a gross amount of 70,000,000 or 80,000,000 of pounds now consumed in Europe, which has had very little effect upon the Chinese prices, 8–11——This is a forcible argument in favour of the position, that tea can be produced in China for export in almost any quantity, 8——There is no loss in the sale of our manufactured goods in China, irrespective of the loss upon the tea, 12——The duty on tea is not less than 165 per cent., taking all the qualities of tea, 12, 13——This is a duty which is certainly anomalous in our fiscal system, with reference to the consumption of such an article as tea, 12–16——Evidence to show that it falls with great weight upon the consumer in more ways than one, as he pays not only a profit on the article, but also a profit on the duty, 14–16.

Amount of the duty, per cent., upon the cost of the tea in China, 17, 18——Opinion that our Government receives cent. per cent. upon the cost; this duty is exorbitant, 19——Gross injustice of this duty towards China, *ib.*——Upon their staple product we levy a duty of nearly 400 per cent., while we confine them to charge upon our staples a duty of only five per cent., *ib.*——(*Mr. Gregson.*) Per-centage on the cost of the tea in China

Report, 1847—*continued.*

*Larpent,* Sir *George G. de Hochepied,* Bart. (Analysis of his Evidence)—*continued.*

China of the English duty of 2 *s.* 2 *d.* per pound, 20——(*Sir G. Larpent* and *Mr. Gregson.*) Effect of the reduction of duty on the consumption of sugar in the Isle of Man; increase therein, 21, 22——(*Sir G. Larpent.*) At Shang-hai, where the prosperity of the trade is greatest, the system of barter prevails the most, 23.

Statement delivered in, showing the exports of cotton and woollen manufactures to China from London, Liverpool, Bristol, Hull, and the Clyde, from 3 January to 26 December, in the years 1845 and 1846; 23——Suggestion that the duty should be reduced to 1 *s.* upon teas of all qualities, 24——We cannot revert to anything like an *ad-valorem* duty, *ib.*——Mr. M'Culloch advocates an *ad-valorem* duty, *ib.*——Extract of a passage from Mr. Fortune's recent work, which altogether precludes the possibility of it, 24–30——Under a free system of competition, without any Government restriction, prices are more likely to find their level, 31, 32——Arguments in favour of a fixed duty in preference to an *ad-valorem* duty, 33–44——The export duty upon tea in China amounts to about 15 per cent., 45–48.

Opinion that if the duty on tea were reduced to 1 *s.* the revenue would gain by an increased consumption of sugar, 49, 50——Witness is quite aware that the whole gist of the matter lies in the question of revenue, 50——Difficulty of forming any estimate of the period in which, if the duty were reduced to 1 *s.*, the revenue would be restored to its present amount, 51——The result of the reduction of duty on coffee was most satisfactory, 52——Wherever the principle of a reduction of duty on the main articles of consumption has been tried, it has been accompanied by a very considerable and rapid increase, *ib.*—— Instance of the article of sugar, *ib.*——As the price of tea has fallen, the consumption has increased, 53——The cause of the great increase in the consumption of sugar in England has been the reduction of the duty, 54, 55.

Supposing the duty on tea to be at once reduced to 1 *s.* the consumer would not at first get the entire benefit of such reduction, but would most probably do so eventually, 56. 73–79——Reasons for forming the opinion that the increased demand which would be consequent upon the reduction of the duty would not tend to raise the price of tea in China, 57–67——Witness is not an advocate for progressive reductions of duty, 68–72——Although the quantity of tea has very much increased of late years, the quality has not deteriorated, but has rather improved, 80–83——There are no data upon which to found a comparison between the relative price in London and New York, 84——How far our late consul at Ningpo, Mr. Thom, was likely to form a useful opinion as to the effect upon the cost price in China of a reduction of the duty here, 85–87——Particulars as to the manufacture of teas for the European market, 88–91.

The prices for tea in China are lower at the present time than they have been at any previous period, 92–97——Evidence with reference to the increased consumption of sugar not corresponding with the increased consumption of tea from 1832 to 1840; 98–108——Further arguments urged against an *ad-valorem* duty, 109, 110——Part the opium trade plays in the tea trade, 111–120——A very large proportion of barter does take place, even as regards the high-priced teas, 121, 122——Silk is very largely imported from China, 123——Some sugar is also imported from China, 124——Silk is an exception to the case of barter; a valuable article like this is always bought for coin, 126.

*Law, William.* (Analysis of his Evidence.)—In the wholesale and retail tea trade in Edinburgh, 1480——The points upon which witness feels himself most competent to speak are, the taste of the working classes for tea, the sort of tea they use, and the quantity they use, and the probability that they would use a great deal more if the price were lowered, 1481——Evidence to show that an *ad-valorem* duty would not be beneficial to the working classes; that is, a low duty on a low tea; they generally consume the middling and better kinds of tea, 1482–1486——Proportion of a working man's wages spent in tea when employment is plentiful and wages good, 1487——If the duty were reduced to 1 *s.* a pound they would generally use more of it than they are able now to do, 1488.

Average consumption per annum of a working man's family consisting of five persons, whose wages do not exceed 20 *s.* per week, 1489, 1490——Reasons for forming the opinion that the consumption per head per annum of persons poorer than a well-employed working man, would be rather more than that of a working man, 1490–1493——In times of distress more tea is used by the poorer classes than at other times, 1493——There is no doubt that an increase in the consumption would follow a reduction of the present duty; in the first year it would most probably be one-third, 1494–1496——There has not been much increased consumption amongst the opulent classes, 1497–1499——Particulars as to the consumption of tea amongst the middle classes, 1500–1502.

Evidence as to the increased consumption of coffee consequent upon the lowering of the price, 1503–1510——There has been a progressive demand for sugar in proportion to the increased demand for tea, 1511–1514——If tea were reduced to a moderate price there would be an enormous increase in the trade of hawkers of tea, 1515, 1516——In comparing the expense to the poor man of using coffee and tea, coffee is rather the highest; it requires more sugar, 1517, 1518——The increased con-

Report, 1847—*continued.*

*Law, William.* (Analysis of his Evidence)—*continued.*

sumption of coffee tends very much to increase the consumption of sugar, 1519——An increased consumption of tea would increase the consumption of milk, 1520, 1521.

The great increase in the consumption of tea consequent on the reduction of the duty to 1 *s.* per pound would be in the first year; it would be quite one-third, 1522-1524——The price to the consumer would be reduced in proportion to the reduction of duty, 1525-1528. 1533-1536——Scotland is principally supplied with tea from Liverpool and London, 1529-1531——The reduction of the duty and the facilities given to the tea trade would at once tend to increase the consumption in Scotland; it would extend to the Highlands, where they never have tea now, 1532. 1537-1541.

*Laws of China.* The fact that an Honourable Member of this Committee has made an excellent translation of the laws of China (comprised in 45 volumes) in one quarto volume, shows that their fiscal regulations are really not very voluminous, *Balfour* 4360.

*Leases.* See *Hong Kong*, 5. *Sales of Land.*

*Liverpool.* See *Manchester.* *Scotland.*

M.

*Macao.* How far Macao is more advantageously placed as a depôt than Hong Kong, *Gibb* 816——It would supply all the western coast of China more readily, but it wants harbour room; it has not the splendid harbour that there is at Hong Kong, *ib.* 816, 817——There is no registration system, nor are any passports necessary at Macao, *ib.* 818-822——Is not held on so good a footing as Hong Kong, as it pays a direct tax to the Emperor of 500 taels, *A. Matheson* 2670, 2671.

*See* also *Bonding System.* *Cumsingmoon.*

*M'Culloch,* Mr. See *Ad-valorem Duty.*

*Madras.* Statement of the export trade to China from the presidency of Fort St. George, from 1833-34 to 1844-45 inclusive, *App.* 510——Statement of the import trade from China to the presidency of Fort St. George, from 1833-34 to 1844-45 inclusive, *ib.* 516.

*Malacca.* See *Supply of Tea.*

*Malcolm,* Lieutenant-Colonel. (Analysis of his Evidence.)—Was secretary of legation in China during the late war; went out with Sir Henry Pottinger in 1841; remained there till the treaty was made in 1842; and was there for five months in 1843, as colonial secretary and secretary of legation, 4568——During that period had an opportunity of seeing the whole course of the negotiations which led to the treaty, 4569——Circumstances which led to the selection of Hong Kong as the place to be stipulated for as a British possession; witness considers it far preferable to Chusan, 4570-4595——In a political point of view witness looks upon Hong Kong as especially important, as well as for the general protection of our trade, 4587-4595.

System of police established at Hong Kong; improvements made therein latterly, 4596. 4599——The opium farm was not established when witness was at Hong Kong; it was no part of the original scheme, 4597, 4598——Opinion as to the duration of the leases at Hong Kong, 4600——For the price which is paid the land ought to be held for 999 years; such an arrangement would be most decidedly advantageous to the Government and to the colony, 4600-4607——Evidence to show that the statement which has been made by the merchants, in a memorial to Lord Stanley, that Sir Henry Pottinger had done all in his power to force them to settle at Hong Kong, is not founded on fact, 4608.

Generally speaking, the conduct of the British merchants in China has been creditable and honourable to them, 4609, 4610——Impossibility of making Hong Kong bear locally the whole expense of the maintenance of the establishment there, 4611, 4612——Nothing can be worse than the system under which the revenue is raised; the land rent would be the best system and the easiest of collection, 4613-4626——The opium farm is extremely prejudicial to the well-being of the colony, 4616-4626——Witness looks upon the registration system as a police regulation; it is objectionable to the respectable Chinese, 4627-4630——The system of cutting off the tails of the Chinese is objectionable, 4631, 4632.

Explanation in detail respecting the monopoly of the market-place at Hong Kong, 4633-4635——The object of the salaries of the Government authorities being high in amount was, that all the officers should be placed in such a position as to maintain themselves as gentlemen, with a view to inspire the respect of the Chinese government, 4636-4638——Impracticability of establishing a British resident at Pekin, 4639-4645——Ever since the Treaty of Nankin nothing could have been more perfect or courteous than the conduct of the Chinese officers towards the higher British authorities in China, 4646-4648.

Importance,

Report, 1847—*continued.*

*Malcolm,* Lieutenant-Colonel. (Analysis of his Evidence)—*continued.*

Importance, in several points of view, of having medical men established at the five ports, 4649-4654——Necessity, for the present, of the limitation imposed on the English as regards penetrating into the interior of China, 4655-4568——Great services rendered by the late Mr. Thom in China, 4659-4664——Evidence showing that Hong Kong is not an unhealthy situation, 4665, 4666.

*Malwa Opium.* The Malwa opium is not under the control of the East India Company; the supply is largely increasing, *Prideaux* 4690. 4702.

*Man,* Isle of. Information as to the operation of the change in the mode of levying the duty on tea in the Isle of Man, *Bowring* 3594-3596——First as regards its effect upon tea, and the increased consumption of tea, and secondly, as regards its effect upon the increased consumption of sugar and coffee, *ib.*

*See* also *Consumption of Tea,* 5.

*Manchester.* It is the general opinion of the Manchester Chamber of Commerce that the tea duty is a great impediment to the Manchester trade; increase latterly of the trade to China, *Bazley* 906-911. 914, 915——There are bonded warehouses at Manchester; tea is bonded there, *ib.* 912, 913——Manchester has been supplied latterly with tea more from Liverpool than from London, *ib.* 916——The bonding system has worked most advantageously in Manchester; it is increasing, and is considered a great boon, *ib.* 917, 918.

*Manifests of Ships.* See *British Vessels. Consular Regulations.*

*Manufacture of Tea.* Particulars as to the manufacture of teas for the European market, *Sir G. Larpent* 88-91——How far the adaptation of tea for the British market is dependent upon the manipulation and not upon the quality of the produce, *Norton* 276-293——Evidence generally as to the manufacture and price of tea in China, *Gibb* 508-546——Tea, the produce of the immediate neighbourhood of Canton, is of such an inferior kind that it cannot easily be converted to the use of the British market, *ib.* 546-548——Evidence as to the great difference in the mode of drying teas, *Sigmond* 3587-3589——There is no doubt that there is both a black and a green tea; it is simply a botanical question as to species, whether they are species or varieties, *ib.* 3590.

The black and green teas of Canton are made from the Thea Bohea, and the northern teas are made from the Thea Viridis; both kinds are derived from the same plants, *Fortune* 4095, 4096. 4223-4235——Process of manufacture of black and green teas, *ib.* 4119, 4120. 4184-4214——Flowers used by the Chinese to give flavour to their teas, *ib.* 4243-4246——Report on the mode of manufacturing teas, *App.* 496.

*See* also *Green Tea. Quality of Teas.*

*Manufactured Goods.* See *Barter Trade. British Manufactures. Cash Payments.*

*Markets.* See *Hong Kong,* 5. *Provision Markets.*

*Marling, Samuel.* (Analysis of his Evidence.)—Woollen manufacturer of Stroud; has been in the trade as connected with China 10 or 12 years; witness's firm export, but through a London house, having agencies in China, 4012-4015——The demand for goods for the China market is, in witness's district, almost annihilated, 4016-4022. 4065——The woollen trade with China was very much larger under the East India Company's monopoly than it is now; for a certain time after the Company's monopoly ceased there was an increase, but it is now not one-third of what it was, 4023-4026——Woollens have always been sold at a profit in China, and could be so sold now, but the losses are on the returns, 4027-4030——Witness would suggest a reduction of the duties on tea as a remedy for this evil, 4030-4033.

A large proportion of the population in witness's district are now out of employment by the falling off of the China trade, 4034-4040——Comparison of the woollen trade with China previously to 1844, with the trade since that period, 4041-4043——Nature and quality of the cloth manufactured in the neighbourhood of Stroud for the Chinese market, 4044——It is made of foreign wool, chiefly Australian, with no mixture of home growth, 4045, 4046——It is a species of woollen manufacture, of which labour is the main element, especially as regards the weaving, 4047——For the sake of the industrious poor it is desirable as much as possible to open our trade with China, 4048——There is no class that would benefit so much as the hand-loom weavers, *ib.*——The species of cloth manufactured in the neighbourhood of Stroud could not be so well done by machinery as by hand, *ib.*——No other country can manufacture it so well as the English; the Germans have attempted it and failed; there is no doubt that we could compete successfully with the Russians, 4049-4053. 4057-4064——Witness sees no limit to the trade if we could get returns for it, 4050.

Report, 1847—*continued.*

*Marling, Samuel.* (Analysis of his Evidence)—*continued.*

A reduction of the duty on tea to 1s. a pound would meet the exigencies of our working classes by lowering the price sufficiently, 4054——The Chinese give greater facilities for the introduction of our exports into their country than we do for theirs into our country, 4055——Our heavy duty is a prevention to the sale of their produce here, 4056.

*Martin, Robert Montgomery.* (Analysis of his Evidence.)—Was in China as Her Majesty's Treasurer from May 1844 to 8 July 1845, when he resigned, to return to England to lay before the Government a report on the state of our affairs in China, 3906——Particulars respecting the land sales in Hong Kong, 3907——Witness never from the first moment expected that Hong Kong would become a commercial depôt, 3908. 3991–3994——The trade at Canton is entirely independent of Hong Kong, and the northern ports being open to us, no depôt is likely to be formed at Hong Kong for the purpose of carrying on trade, 3909——The formation of a colony at Hong Kong, containing the most dissolute Chinese, is a discredit to us, and operates injuriously in our relations with the Chinese government, *ib.*——It is by no means necessary to maintain the present civil and military expenditure at Hong Kong as a protection to our China trade, 3910–3912.

How far there are any means of deriving better results from the colony of Hong Kong, 3913. 3991–3994——By opening other ports, and by getting a commercial station at Nankin and at Pei Ho, and other commercial stations in China, we should materially improve our trade, and get freer access to the interior of the country, 3914–3919——Opinion that it would be practicable to open a negotiation for the establishment of a British resident at Pekin, 3920——The Russians have an establishment there, and we might have had it, or anything else at the time of the Treaty of Nankin, if we had applied for it, 3920–3922——Evidence as to the injurious effect of the opium trade in a national point of view, 3923——It is witness's opinion that the use of it is also physically and morally injurious, 3923–3932.

Witness would propose an absolute prohibition of the importation of opium into China by any of our subjects, 3924. 3935–3941——By the concurrence of the three governments of England, America, and France, the introduction of opium into China might be prevented, 3933–3935——Respect in which the opium trade is injurious to us politically in our relations with China, 3942——Commercially speaking, it is injurious to us, as it prevents the extension of our manufactures in China, *ib.*——Our Government refusing to have anything to do with the opium trade, would not immediately tend to put a stop to it, 3943–3945——Advantages which would arise from this country checking the trade by every means in its power, 3945–3951.

A great deal might be done as regards our trade with China by opening collateral intercourse with the nations surrounding China, especially as regards Japan; information as to our former relations with that country, 3952–3961——The island called Quelpaart's Island, south of the peninsula of Corea, is also worthy of attention as a trading station, 3961–3969——There is another region to which a collateral trade might be carried on, viz. the region of Siam and Cochin China, extending south of China, 3969–3974——Returns delivered in respecting the trade between Singapore and China, 3975, 3976.

The cotton trade from India to China has diminished, 3977——The Americans have been pushing the trade in raw cotton from the United States, 3977–3982——If we had stations to the northward, they might be advantageous in pushing our trade in woollens with China; in the southern districts, the people are clothed in cotton, 3983–3985——Witness has prepared a report on the tea trade; this report delivered in, 3986——Witness differs from the opinions promulgated before this Committee with reference to the reduction of the duty on tea, *ib.*——The consumption of tea has increased immensely in this country irrespective of the duty, *ib.*——If the Government could afford to give up a portion of the 5,000,000 *l.* of duty levied upon tea, it would be an experiment, but witness does not believe it would reduce the price of tea, or benefit the commerce of the country, *ib.*——Neither would it increase the consumption, 3987, 3988——With a view to benefiting our trade with China, it would be exceedingly advisable for the British Government to dispatch a mission to China, for the purpose of obtaining a modification of the treaty, perfect freedom of intercourse, and the opening of other ports to the northwards, 3989, 3990——Evidence as to the circumstances which have led to the decay of the colony of Hong Kong; and as to how far it is likely to be restored to a state of prosperity, 3991–3994.

Evils arising from the registration system as adopted at Hong Kong; remedy suggested, 3998–4001——Particulars respecting the village administration in China, 4002–4004——The municipal system of China appears to be almost perfect, and to be one of the means by which that vast empire is kept together, *ib.*——Reasons for forming the opinion that it is much to be regretted that we have not retained possession of Chusan, 4004–4010——Under the provisions of the treaty, it would have been possible

Report, 1847—*continued.*

*Martin, Robert Montgomery.* (Analysis of his Evidence)—*continued.*

possible to have retained it, 4005——The commercial cities with which we should open further communication are Soo-Choo, of which Shang-hai is the port; Nankin, Tching-Kiang-foo, Tientzin, Kiang-Sing, and Tchang-foo, of which Amoy is the port, and the cities above Canton, 4011.

*Martin,* Mr. Report on the island of Hong Kong, by Mr. R. M. Martin, transmitted to Governor Davis for Lord Stanley, 24 August 1844, *App.* 445——Report on the tea trade, transmitted to Her Majesty's Government from China, in July 1845, by R. M. Martin, *ib.* 482.

*Matheson, Alexander.* (Analysis of his Evidence.)—Of the firm of Jardine, Matheson & Company; has been connected with the Chinese trade about 21 years, in connexion with the ports of Hong Kong, Canton, and Shang-hai, 1940–1942——Information relative to Hong Kong, 1943 *et seq.*——It possesses one of the best harbours in China, 1943——Prosperous state of the trade at Hong Kong from 1841 to 1843, *ib.*——When the first Europeans settled at Hong Kong, the Chinese showed every disposition to frequent the place, and there was a fair prospect of its becoming a place of considerable trade, *ib.*——Up to 1843 Hong Kong was literally a free port, *ib.*——Had this unrestricted freedom gone on, it would inevitably have become a place of great trade, *ib.*——In 1843 peace was proclaimed, and Hong Kong was regularly ceded to us, *ib.*——A formal government was then established, great expenses were incurred, and it became the study of the Government to raise as large a revenue as possible, to meet these expenses, *ib.*

The only means resorted to for raising a revenue, up to the departure of Sir H. Pottinger, were the land sales, but the police practised various modes of defrauding the Chinese settlers, 1943——From this time may be dated the reverses of Hong Kong, *ib.*——Since then the establishment of the opium and other farms has completely destroyed the trade of Hong Kong, *ib.*——Evidence as to the destruction of the junk trade, *ib.*——Depôt vessels have now taken up their station at Cumsingmoon, about half way between Macao and Bocca Tigris, where there is a tolerable harbour, *ib.*——Since 1844 a considerable town has sprung up there, with a population of from 3,000 to 4,000, comprised entirely of petty traders and junk men, who have deserted Hong Kong, *ib.*——The large transactions in opium, and the retail trade in goods of all kinds, which took place at Hong Kong, are now carried on at Cumsingmoon, *ib.*——The place is rapidly increasing under Chinese rule, while Hong Kong, under British sway, is without trade, and daily abandoned by some portion of its population, *ib.*

Particulars as to the land sales at Hong Kong under Captain Elliot, 1943——Though it would take years to repair the evils which misgovernment has brought upon Hong Kong, still witness is of opinion that a prudent course would restore its prosperity, and make it one of the principal mercantile emporia in the world, *ib.*——Mode in which such a desirable result might be brought about, *ib.*——All the farms now in existence should be abolished, and all the wretched taxes now levied be discontinued, *ib.*——The opium and other farms have had a most injurious effect on trade, 1943–1950——It is a most unadvisable course for the Government to attempt raising any other revenue than the land rents, 1943——At any rate until the colony has considerably advanced in wealth and population, *ib.*——There is no objection on the part of the merchants of Hong Kong to a revenue being derived from land, 1951.

Information in detail with respect to the head of revenue derived from the market rents, and objections thereto; way in which the system interferes with the supply and price of provisions, 1952–2024——Examination generally with respect to the various other sources of revenue in the colony, and as to whether any and what objections are, and may be, urged against them, 2025 *et seq.*——Reference to, and observations on, these various items; as "Rents of buildings," 2025——"Fees on grants of leases," 2026–2028——"Fees on appointment of serangs," 2029–2042——"Fees on marriages and burials," 2043–2050——"Fees on registering boats;" nature of the objections to this head of revenue, 2051–2064——"Fines and fees in magistrates' courts;" these are excessive; punishment for non-payment, 2065–2092.

Evidence generally with respect to the punishments inflicted on the Chinese; objection to the practice of cutting off their tails and shaving their heads, 2067–2081. 2088–2092——There is no objection to the item of "Licences to publicans and spirit dealers," as a source of revenue, but it is too high, 2093–2100——The salt trade in Hong Kong is a strict monopoly; there is no scarcity, and the price is very trifling, 2100–2111——Strong objection to the head of revenue, "Duty on sales at auction," 2112–2115. 2216–2218——Information respecting the "Police assessment;" evidence respecting the tax on brothels, under the head, "Contribution in aid of police expenses;" a fee is also paid by the women, 2116–2142——Explanation respecting the item, "Sailing letters and passes granted by Her Majesty's superintendent of trade," 2143–2145.

Reductions witness would propose in the establishment at Hong Kong, with a view to curtailing the expenses of the colony; system of government he would suggest; with

Report, 1847—*continued.*

*Matheson, Alexander.* (Analysis of his Evidence)—*continued.*

observations as to the most desirable source from which the revenue might be derived, 2146-2185——Opinion that there are too many British troops in the colony, 2156-2159. 2169-2171——Observations and suggestions generally, with respect to the police force at Hong Kong, 2159-2179. 2185—— The cost of the colonial government at Hong Kong is a subject of general complaint among the merchants there, 2180-2184——The native trade formerly passed through the harbour of Hong Kong; this has now ceased, 2186, 2187——The main cause of its ceasing is the dread of the preventive service kept up by the opium farmer, 2188-2194. 2196-2199.

If the opium farm and the auction duties were given up, Hong Kong would become a free port, and the principal bar to its prosperity would be removed, 2195-2216. 2333, 2334——Still this alone would not be sufficient to restore it entirely; the land rents are too high to induce Chinamen to come and settle there, 2219-2223. 2334——Further evidence respecting the sale of lands at Hong Kong, under Captain Elliot, with suggestions on the subject of the terms and length of leases; a larger deposit should be required from the purchaser, to bind him to the bargain, 2224-2248. 2255-2305——The terms upon which land is sold has affected its sale, independently of the declining state of the colony, 2249 *et seq.*——The great grievance has been that the conditions of Captain Elliot's sales have not been fulfilled by the Government, 2255-2310.

Owing to the interference of the opium farm system and the auction duties, goods are not now warehoused at Hong Kong; evidence respecting the bonding system in China, 2311-2328——The system was tried at Macao and failed, 2329-2332——How far, upon the whole, Hong Kong was well chosen as the deposit of the British trade, 2333-2335——Way in which the opium farmer enforces his monopoly against parties living at Hong Kong who may wish to infringe it, 2336-2340. 2350——A duty on opium for internal consumption in Hong Kong would curtail the local trade in it; difficulties in the way of levying such duty, 2341-2365——The opium farm injures the external and internal trades; it injures all trade, 2345——At this moment the government of Hong Kong is a loser by the farms, 2365-2371.

Hong Kong ought to be put in somewhat the same light as our ambassadors' residences at Madrid, Paris, or Vienna, 2372——Witness looks upon the governor of Hong Kong more as ambassador of Hong Kong in China than the governor of Hong Kong, *ib.*——As he cannot go to Pekin, the government must find him a residence elsewhere, *ib.*——Hong Kong is a necessary part of the expenses of the British ambassador in China, which ought to be borne by the nation as such, 2372-2377——Evidence as to the revenue and expenditure of Hong Kong, 2378-2401——If the trade in opium were unrestricted in Hong Kong, there would be a large employment in the preparation and manufacture of it going on in the island, 2402——All the opium done at Cumsingmoon would be done at Hong Kong, 2403——Communications between the governor of Hong Kong and the Chinese authorities are carried on through the consul at Canton, 2404-2410.

[Second Examination.]—Further evidence as to the fact that the trade at Hong Kong was free and flourishing from its first establishment till 1843, when the peace was made; and as to the effect of the treaties being the extermination of the junk trade, 2641-2643——Suggestions as to the course by which the prosperity of the colony might in a measure be restored, 2644-2646——The existing treaties, if observed strictly, are a great impediment to the trade; particularly the article in the existing treaty about junks, 2647——By the existing treaties every kind of commercial intercourse between Hong Kong and any port of China, except the five legalized ports, is prohibited, 2648.

The depôt at Cumsingmoon which is now established, is a contravention of the treaty, 2649-2651. 2655. 2659-2666——The British subjects who frequent that depôt are out of the pale of British protection, 2650. 2659-2666——Particulars as to the remonstrance made against the establishment at Namoo; part taken by the governor of Hong Kong with respect to this establishment, 2652-2654——The British subjects at Namoo are on the best terms with the Chinese authorities; the inhabitants consider their presence a benefit, 2656-2658——Although the cession of Hong Kong to the British was expressed in the treaty as "for the purpose of careening and fitting ships, and keeping stores there for that purpose," the expectation was entertained that it would become a great emporium for trade, 2667, 2668——These words were merely put in to pacify the Emperor, 2668, 2669.——Macao is not held on so good a footing, as it pays a direct tax to the Emperor of 500 taels, 2670, 2671——Witness prefers the land-tax as adopted at Hong Kong to any other system of taxation; this tax might be reduced with great advantage to the revenue, 2672-2677——The registration system in Hong Kong is very obnoxious; the best thing to replace it would be an additional police force, 2675-2688.

Further suggestions as to the mode in which the trade with Hong Kong might be revived; if the trade of Hong Kong were to revive, the trade in British manufactures would revive, 2686-2693——Evidence as to the daily contravention of the treaty by the Chinese government, 2691-2694——They do not protect the British subjects in Canton;

this

Report, 1847—*continued.*

*Matheson, Alexander.* (Analysis of his Evidence)—*continued.*

this is a material variation of the treaty, 2694, 2695——This condition of the treaty has been repeatedly urged on the Chinese government; their only answer was that we might go on at our own risk and peril, they would not protect us, 2696–2698. 2701, 2702——The surrender of Chusan was delayed in consequence; reasons why it was better for us not to continue to retain Chusan, 2700.

In China remonstrances, without a sufficient force to support them, are of little value, 2703——The whole of our success, both commercially and politically, of late years in China, has arisen out of the circumstance of their being better able to recognize the power and influence of this country, 2704, 2705——Witness cannot suggest any means by which an opening could be made at present to the imperial court of Pekin, 2706——Politically speaking we are losing ground in China rather than gaining it, *ib.*——This may be attributed to the British authorities, in cases of disputes, instead of protecting their own subjects, almost invariably taking the part of the Chinese; instance of this, 2707-2716.

Further evidence with respect to the opium trade, 2717-2739——Effect of the payment for opium in sycee silver on the course of trade through India, 2732–2739——The trade with China in woollens is not an increasing trade, but it has fluctuated very much, 2740——The woollens are too dear to enable us to increase the trade, 2741——Silk is now forming a more considerable item of our export to China, principally to Shang-hai, than it has done for several years; last year it exceeded our exports of tea from Shang-hai, 2742–2744——Opinion that the export of tea from Shang-hai will increase rapidly, 2744——The only limit to our exports to China is the power that we have of receiving tea in return; this power can only be increased by a reduction of the duty, 2745–2749.

[Third Examination.]—Further observations on the original conditions on which the sales of land in Hong Kong under Captain Elliott were made, 3891-3903——There is no inducement to smuggling in China in any other article besides opium, on account of the lowness of the duties generally in China, 3904, 3905.

[Fourth Examination.]—Has been connected with the trade of China, especially the opium trade, since 1826; left China in March 1846; was resident chiefly at Canton, and also at Macao for three years, and then at Hong Kong, 4517-4519——Information as to the manner in which the opium trade is carried on, particularly as to the way in which payments are made for the opium, and effect of it on the general trade, 4520, *et seq.*——With few exceptions the opium trade is a cash trade; it is always paid for before it is delivered, 4520——The effect of the opium trade on the general trade is, that it yields a circulating medium by which it is carried on, 4521.

The exchange of opium for tea is a very rare occurrence, 4522——A portion of the silver paid for the opium is shipped to India, but not the whole of it, a portion remains in China; formerly an enormous quantity of sycee silver was sent out of China, 4523–4543——During the war there was an extraordinary abundance of sycee silver; witness has known it as low as five per cent. discount, 4524——At that period a great deal came home on government account; the 6,000,000 received from the Chinese came home in sycee silver, 4525——At that time our merchants received some of it in return for their goods, 4526–4530——The reason why many of the merchants took tea in exchange for their goods in preference to sycee silver was that they were looking forward to a reduction of the duty on tea, and also anticipated a greatly increased demand for tea in this country, 4530–4533.

Impossibility of merchants in China selling British manufactures for sycee silver to any extent, 4544——The reason why the silver for which the opium was exchanged was not sent home was that the holders of the opium were in India and not in England, 4545——The British trade in opium has caused a general extension of our trade with China, 4546, 4547——Opinion that in the course of time the opium trade will be legalized, 4551–4554——Evidence as to the fluctuations in the price of opium, and particulars as to the different qualities, 4555-4567.

*Matheson, James.* (A Member of the Committee, examined.)—Resided in China from 1818 till 1842, with occasional absences; has seen the China trade under its various phases, 3069, 3070——Witness has had occasion to observe that the trade has laboured under very great disadvantages from the difficulty of selling tea in this country, 3071–3073——There is no doubt that the reduction of the duty would greatly benefit trade by increasing the consumption, 3074, 3075——Reasons for forming the opinion that the production of tea could be easily increased in China, 3076——There is no reason to dread that a large reduction of the duty would lead to any increase in the price of tea in China, 3076–3087——Evidence with respect to the transit duties in China, 3088–3094.

At the time witness was in China there was a great abundance of silver there, 3095–3098——There is little doubt that the Chinese government have sources, known only to themselves, or at any rate which are kept very secret, of getting at silver in times of difficulty, *ib.*——Witness still adheres to the opinion expressed by him in a pamphlet he published some years ago, that our Government should, on every occasion in which

Report, 1847—*continued.*

*Matheson, James*—continued.

a reasonable demand was to be made, show a bold front to the Chinese, 3099-3102. 3122——Witness confirms the conclusion at which Mr. Alexander Matheson has arrived, of the great importance to the tea trade, and the China trade generally, especially with reference to the export of our manufactures, of getting a reduction of the duty on tea here, 3103, 3104.

Where our consular regulations are found to operate as a hardship or a restriction upon trade, it would be very desirable to relax them, so as to suit the convenience of British merchants, 3104-3106. 3126, 3127——How far it would be possible for the British Government with the assistance of the Chinese Government to put down the opium trade; how far the Chinese Government were ever sincere in their desire to put down the trade, 3108-3114. 3116-3121——There has been much less practical inconvenience felt in China from the exportation of sycee silver than might have been supposed, 3114, 3115——Hong Kong is an admirable place of rendezvous, and as a free port could not fail to be highly beneficial to this country, and ultimately not a source of expense, 3123-3125.

*Medical Men.* Medical advice has been found a very effective means of opening a communication with the Chinese as far as regards the lower classes, *Smith* 2910——Importance, in several points of view, of having medical men established at the five ports, *Malcolm* 4649-4654——It would be very beneficial that medical officers should be attached to each consulate, *Balfour* 4837-4851. 4865.

*Merchants.* See *British Merchants. British Residents in China.*

*Middle Classes.* See *Consumption of Tea*, 1.

*Milk.* An increased consumption of tea would increase the consumption of milk, *Law* 1520, 1521.

*Missionaries.* The Roman-catholic missionaries have virtually, as missionaries, greater liberty than the Protestant, *Smith* 2802-2809——How far the missionaries have met with success in China, *ib.* 2893-2909——How far the conduct of the missionaries in China has been adverse to our commercial interests, *Balfour* 4876-4878——Particulars as to the conduct of the early missionaries, especially the Roman-catholics, and the number of conversions brought about by them, *ib.* 4879-4895.

*Moffatt, George*, M.P. (A Member of the Committee, examined.)—Is familiar with the East India trade generally, 1121——Course of the China trade since the abrogation of the East India Company's monopoly, 1122 *et seq.*——The abrogation of that monopoly has very much extended the business between this country and China, both as regards the imports from, and the exports to, China, 1122——The imports from China have increased nearly 100 per cent., *ib.*——Up to 1844 there was the largest increase; since then there has been a decline, *ib.*——Great decline in the year 1846; this may be attributed to its having proved a losing trade the previous year, 1122, 1123——The difficulty of getting statistical returns of the imports and exports from China has been a matter of complaint among the importers of goods from China for several years, 1123——The difficulty is greatly increased by the great value of the opium sent from India to China, which is not included in the statement of returns that are sent in, 1123. 1130, 1131.

The large value of the opium imported makes the balance of trade very much against the Chinese, 1123——In consequence of this they demand and obtain a very high price for their teas, which the importers of English produce into China are compelled to take in payment, 1123-1125——Evidence showing the price paid for tea in China by the East India Company in the last year of their monopoly; price obtained for this tea; the difference between the cost price and the selling price was nearly double, 1125-1127——Comparison with this of the import of tea last year; cost price of it in China; price realized for it in this country, 1127, 1128——The revenue derived in 1833 for tea at the *ad valorem* duty was 3,444,102*l.*; in 1846, at 2*s.* 2½*d.*, the revenue was 5,115,898*l.*; 1128——The allegation of the importing merchants here has been, that there has been a loss in the exports to China for the last several years, 1129. 1261-1263——This may be evidenced by the continual fall in price which we have had here, while the prices in China have been maintained till within the present season, 1129-1131. 1133-1136. 1261-1263.

A reduction of the duty on teas would tend to balance the trade better than at present, 1132——Raw sugar has lately been imported from China; the first cargoes paid exceedingly well, but the recent fall in the price renders it less profitable than formerly, 1137-1141——There has been a considerable increase in the importation of minor articles from China, but there is no article except tea and silk which forms any item likely to disturb the balance of trade, 1142——There has been a loss both upon the export of goods to China, and on the teas imported from China, but last year was an exception to the general rule in this respect, 1145-1147.

Report, 1847—*continued.*

*Moffatt, George,* M. P.—*continued.*

Reasons for forming the opinion that there is no limit to the quantity of tea with which China could supply us, 1148–1150. 1177–1190——The export of tea from China accommodates itself with the most remarkable facility to the English demand as regards quality, 1149, 1150——Evidence showing that this country is the depôt of tea for the Continent; we should most probably be so to an increased extent if the duty were reduced, 1151–1158——Difficulty of ascertaining what the maximum consumption is, with a view to reducing the duty to such an amount as to raise the consumption to that point, 1159–1176.

Opinion that the price of tea in China would not rise materially with an increased consumption and demand in this country; whatever rise there might be would only be temporary, 1190–1199——The more the price is reduced, the greater in proportion will be the consumption; evidence to show that this has been the case in other articles than tea; instances of coffee and sugar, 1200–1209. 1216——Till within the last two or three years there has been a profit on the export of manufactured goods; the loss has been on the import of tea, 1210–1215——Witness dates the losses on the trade with China from 1844; 1216——Reduction of duty witness would suggest at this moment to produce the results anticipated, particularly as regards the replacing of the revenue, 1217–1233.

Nature of witness's objections to an *ad valorem* duty; it would not be advisable to substitute it for a fixed duty, because it is impracticable to do so with justice to the revenue, and to the importer, 1234–1260——There is no check upon the adulteration of tea; the general impression upon witness's mind is, that there is very little adulteration, 1266–1269——The advance in the price of tea in 1840 to 2*s.* 4*d.* upon the price of 1*s.* 7*d.* in 1839 was owing to the Chinese war, and the fear that the supply would be stopped, 1270——It is the opinion of the wholesale dealers in this country, that there is not much adulteration of the tea sold in country villages, 1271——The lowering of the value of tea would furnish the best security against adulteration, 1272.

*Moffatt, Robert.* (Analysis of his Evidence.)—Has been in the tea trade upwards of twenty years, 3394, 3395——In the course of trade, has had much experience of the sorts of tea used by different classes of consumers, 3396——The poor may be considered, generally speaking, consumers of a better class of tea, and not simply the lower qualities, 3397——The Bohea tea imported by the East India Company was a coarse, rank-flavoured tea, but good wholesome tea, and had a considerable quantity of Congou broken up in it, 3398. 3402, 3403——The Bohea imported under free trade, is an earthy, low, faint tea, that can hardly be called wholesome, 3398. 3404, 3405——Statement as to the consumption of Bohea under the rated duty of 1*s.* 6*d.* when the triple rate existed, showing its increase as compared with that of Congou during the prevalence of the rated duty, 3399–3405——It would be impossible to draw a distinction by either an *ad valorem* or a rated duty between different kinds of tea, 3406–3421. 3429–3432.

Evidence as to the relative consumption of green teas, 3411–3413——The opinion that the consumption of high duty, and of the superior classes of tea, has materially increased, may be accounted for from the fact that a great deal of what was formerly called by the name of the inferior class, is now deemed to be of the superior class, 3411–3419——It is plain that as there is an increase in the consumption of tea, the consumption of sugar must be increased, 3423, 3424——A great improvement is going on in the quality of the teas now imported, 3425, 3426——The prices of tea have been anything but uniform since the opening of the trade, 3427, 3428——The tea brokers have an interest in keeping an uniform duty, as it relieves them from a great deal of unfair anxiety and responsibility in carrying out their duty to the merchant, 3433——Beyond this they have no interest in the amount of duty levied, *ib.*

Reasons why the trade are more inclined to keep the high rate of duty than to reduce it, *ib.*——Evidence as to the consumption of tea in Germany; no Bohea tea is consumed there; the consumption is of a superior article by a superior class, 3434–3437——The demand for tea abroad varies according to circumstances, 3438——We supply the Dutch largely, 3439, 3440——Lowering the duty on tea to 1*s.*, would partly tend to make this country a great entrepôt for tea, to which other countries would come, 3441–3445——Increase in the importation of tea in the last thirteen years, 3446, 3447——Difficulty of making any calculation as to the time it would take to bring up the revenue to its present state if the duty on tea were reduced to 1*s.*; rate at which witness calculates the increase of consumption in the first year, 3448–3458.

*Morrison Education Society.* See *Chinese Language.*

*Municipal Administration* (China). Particulars respecting the village administration in China, *Martin* 4002–4004——The municipal system of China appears to be almost perfect, and to be one of the means by which that vast empire is kept together, *ib.*

*See* also *Hong Kong,* 4.

Report, 1847—*continued.*

N.

*Namoo.* Particulars as to the remonstrance made against the establishment at Namoo: part taken by the governor of Hong Kong with respect to this establishment, *A. Matheson,* 2652-2654——The British subjects at Namoo are on the best terms with the Chinese authorities; the inhabitants consider their presence a benefit, *ib.* 2656-2658.

*Nankeens.* Our nankeens are not so good as the Chinese, *C. Rawson* 1869.

*Nankin.* By opening other ports and by getting a commercial station at Nankin and at Pei Ho, and other commercial stations in China, we should materially improve our trade, and get freer access to the interior of the country, *Martin* 3914-3919.

*See* also *Treaties.*

*Napier,* Lord. Draft of an instruction for the guidance of Lord Napier, in his judicial capacity as Chief Superintendent in China, prepared by the Right Hon. Sir Alexander Johnstone, and submitted by him to the then Secretary of State for Foreign Affairs, *App.* 526.

*Native Produce.* The sole difficulty in the way of the China trade is in providing a return for our manufactures, *Rep.* iii——The whole of the import of British manufactures, with slight exceptions, has to be paid for by tea, silk, and silver, though sugar and Chinese grass, as a substitute for hemp, may possibly be hereafter of some importance, *ib.* iv——The payment for opium absorbs the silver, to the great inconvenience of the general traffic of the Chinese; and the tea and silk must pay the rest, *ib.*——Opinion expressed by the Committee that the balance of trade will sooner or later adjust itself, *ib.*——But that unless we can look forward to an increased consumption of those products in which alone China has the means of paying, this adjustment can only be made at the cost of largely diminished exports and of restricted employment to every branch of industry connected with them, *ib.*——The export of silk from China is steadily on the increase, and there is every reason to believe that it will still increase with the growing wealth and luxury of nations, *ib.*——This, however, must naturally be a slow operation, and therefore tea and the consumption of it must be looked to merely as the source through which to revive and increase our trade, *ib.* iv, v.

Difficulty the merchants experience in getting a return for anything they have for sale, *Gibb* 499——The present depressed state of our trade with China arises from the impossibility of the Chinese making a return for our manufactures, *Robberds* 1644-1658——One great evil under which the China trade labours in England is the difficulty of realizing returns either readily or profitably, *Brodribb* 1661——This difficulty is increased if not altogether occasioned by the present high rate of duty on tea, *ib.*

*See* also *Barter Trade. British Manufacture,* 2. *China Trade. Duty on Tea,* 2. *Poppy. Silk.*

*Native Merchants.* The wealth among the native merchants in the north is not at all equal to what it is among the people of Canton, *Gibb* 630.

*Native Shipments.* Effect of the present high rate of duty on tea in this country upon the native shipments of the Chinese, *Brodribb* 1703——Explanation of the operation of the present duty on tea, on the returns made by natives of China, that is on shipments made by them, *Winch* 2917——Statement handed in showing the result of various shipments of tea from China on native account, at various periods from May 1844 to February 1847, *ib.*——Examination upon the result of these shipments, showing that at the rate of exchange existing at the various periods there was in most instances a serious loss upon such shipments, *ib.* 2918-2926.

*Native Trade.* See *Hong Kong,* 1.

*Navigation Laws.* How far the British government prohibits foreign vessels that load in England with British dry goods from going to Hong Kong to sell their cargoes, *Farbridge* 950-959.

*Netherlands.* Statement respecting the tea trade with the Netherlands, *App.* 488.

*Newfoundland.* See *Consumption of Tea,* 5.

*Nicol, William.* (Analysis of his Evidence.)—Chairman of the East India and China Association of Liverpool, 335——How far in that capacity witness is capable of giving the Committee information of the present state of that trade, 336——Way in which witness considers it as bearing upon the general interest of commerce, 337, *et seq.*——Evidence generally respecting the barter trade; nature of the transactions in barter, 337-361——The transaction is commenced by a barter price being fixed upon the articles between the English seller and the Chinese seller; a barter and not a money price is fixed upon the articles, and goods are exchanged upon the basis to balance the accounts, 360-364——It

is

Report, 1847—*continued.*

*Nicol, William.* (Analysis of his Evidence)—*continued.*

is not always the case that the delivery of the goods and of the tea is contemporary, 365-366——Sometimes in a transaction of barter the goods are agreed to be sold but even the description of goods to be received is not stated, 367-371——Habitual difference ruling in the market between a barter and a money price, 372, 373.

Evidence with respect to the competition of America with this country in the China trade, 373-381——One of the consequences of the unsatisfactory state of things is to supplant the direct trade with China by an indirect trade, 382-387——Witness agrees to a great extent with Sir George Larpent as to the inconveniences of *ad valorem* duties, 388——Witness agrees with those parties who have given evidence as to the augmented sale of tea which may be expected from a reduction of duty to 1 *s.* a pound, 389-402——Witness knows of no other means of improving the trade besides a reduction in tea, 403, *et seq.*

*Ningpo.* The trade with Ningpo has hitherto proved but trifling; how far there is reason to believe that it will hereafter become an important place of trade, *Rep.* viii——At Ningpo witness found the population generally friendly disposed towards foreign intercourse and commerce, *Smith* 2779-2783——Ningpo is not likely to become an important port for trade, *Braine* 4796-4798.

*Norton, William.* (Analysis of his Evidence.)—Connexion witness has with the China trade, 238——Witness's house is a house of agency in the transmission for sale to China of British manufactures and other consignments, and making returns to this country for the account of the parties who consign, *ib.*——Witness has never been in China himself, 239——Being a member of the East India Association, witness prepared various statistics for the Government, 240——At a deputation of the Association to Lord John Russell, witness laid before his Lordship various points elucidating the trade, derived principally from official documents, *ib.*——These documents were intended to show that an enormous increase in the consumption of tea might be expected if brought within the means of the great mass of the population, *ib.*

Return showing the quantity of teas retained for home consumption in the United Kingdom, the rates of duty chargeable thereon, and the net receipt of duty from the Customs and Excise, 240-244——Opinion that the Chinese have the ability to prepare for a large demand without an increase of price, 245, 246——Way in which witness accounts for the increase of 50 per cent. stated by Mr. Thom to have occurred when the speculations of 1836 and 1837 took place in China, 247-250.

[Second Examination.]—Statement showing that the consumption of tea in this country has been regulated almost entirely by the prices that were ruling, 251, 252——Grounds upon which witness forms the opinion that the increase of consumption in this country will go on in proportion to the diminution of price, 253-260——Prices of teas in the months of February and November, from 1834 to 1838, and 1842 to 1846 inclusive, extracted from the "Canton Register," 260——With respect to the newspaper price currents, the merchants make great allowances for the state of the markets and for the nominal state of prices, and thereby come to an approximation of what is the reality, 261.

Observations on a letter written by Mr. Thom; Mr. Thom took a very strong view indeed of the question of the reduction of duty, and expressed that view very strongly to the Government, and, as witness thinks, upon very erroneous grounds, 261-266——Witness is not aware of any instance which has occurred of the failure of the crop of tea in China, 267-271——The result of witness's experience both in tea and in silk is, that an increased demand has been the result of a reduction in price, both in China and here, 271——The practical result has been, both in tea and silk, that while the demand has increased, prices have been lowered; this may be attributed to the augmented production in China, 272-275.

How far the adaptation of tea for the British market is dependent upon the manipulation, and not upon the quality of the produce, 276-293——The consumption of tea in all parts of Europe, with little variation, is very trifling compared with that among British subjects in every place where they are found, 294——We export to the European market, but that trade is rather declining now, 295——Further observations upon the letter written by Mr. Thom, and quoted above by witness, 296-299——Evidence to show that it is not likely that the ports in China would combine, and not sell their silks and teas, except at a certain price, 300-304——Calculation made by witness that the reduction of the duty to 1 *s.* per pound would have the effect of making tea 1 *s.* 4 *d.* per pound cheaper, at least, 304-306.

There is no doubt that if the duty were suddenly reduced, the consumer would not at first get the full benefit of such reduction; but if good notice were given, they most probably would do so, 307-316——Witness has not remarked generally any increased consumption of silk, 317-320——Calculation as to what the effect on the revenue would be supposing the 50 per cent. at present expended in tea were expended in other things, 321, 322——Our exporters of manufactures, when they receive tea in China, are tolerably well aware of the price they will be able to obtain for it in this country, 323.

Report, 1847—*continued.*

*Norton, William.* (Analysis of his Evidence)—*continued.*

The imports into China, generally speaking, are in exchange for manufactures, 322–326——Witness looks upon the duty on tea as acting practically as a duty upon our manufactures, in which we have to compete with the Americans, 327–329——Estimate of the cost of those sugars in China which were brought to this country from China last year, 330——Length of time which this depressed state of the China trade has existed, 331–336.

*Norton,* Mr. Papers delivered in by Mr. W. Norton, and referred to in his evidence, *App.* 442.

*Norwich.* See *Camlet Trade.*

O.

*Opium.* The usual mode of consuming the opium is by smoking it, *Scott* 3712–3716——Used in moderation it is not prejudicial, but rather beneficial, *ib.* 3716–3718——It is witness's opinion that the use of it is both physically and morally injurious, *Martin* 3923–3932——The individual cultivation is on a small scale; it is profitable to the cultivators, *Prideaux* 4690–4695.

*See* also *Malwa Opium. Native Produce. Opium Trade. Poppy.*

*OPIUM TRADE:*

1. *Prejudicial Effect of the Opium Trade alike to our Political and Commercial Relations with China.*
2. *Opinion that the Opium Trade is not prejudicial to our Commerce.*
3. *Injury inflicted on the Colony of Hong Kong by the system of Farming the Opium.*
4. *Evidence generally as to the East India Company's Trade in Opium.*
5. *Evidence as to the Price and Qualities of Opium.*
6. *Mode in which the Payments for the Opium are made.*
7. *How far any Check might be put upon the Trade; whether that Check would be beneficial.*
8. *Probability of the Trade being legalized in China.*

1. *Prejudicial Effect of the Opium Trade alike to our Political and Commercial Relations with China:*

Evidence as to the injurious effect of the opium trade in a national point of view, *Martin* 3923——Respect in which the opium trade is injurious to us politically in our relations with China, *ib.* 3942——Commercially speaking, it is injurious to us, as it prevents the extension of our manufactures in China, *ib.* 3942——Information with regard to the effect of the opium trade upon our commerce with China, *Kerr* 4287–4293——Dissent in Council against the opium ordinance, *App.* 456.

2. *Opinion that the Opium Trade is not prejudicial to our Commerce:*

The introduction of opium has led almost invariably to the introduction of British produce, *Gibb* 836——The effect of the opium trade on the general trade is, that it yields a circulating medium by which it is carried on, *A. Matheson* 4521——The British trade in opium has caused a general extension of our trade with China, *ib.* 4546, 4547——Taking it in all its bearings, the introduction of opium as an article of commerce has not been injurious to our commercial relations with China, *Braine* 4760, 4761, 4766.

3. *Injury inflicted on the Colony of Hong Kong by the system of Farming the Opium:*

Evidence with respect to the opium farming at Hong Kong; course taken in dealing in opium; the opium farm interferes materially with the wholesale trade, *Gibb* 829–835——The opium and other farms have had a most injurious effect on trade, *A. Matheson* 1943–1950——If the opium farm and the auction duties were given up, Hong Kong would become a free port, and the principal bar to its prosperity be removed, *ib.* 2195–2216. 2333, 2334——Way in which the opium farmer enforces his monopoly against parties living at Hong Kong, who may wish to infringe it, *ib.* 2336–2340, 2350——The opium farm injures the external and internal trades; it injures all trade, *ib.* 2345——Highly objectionable nature of the opium farm at Hong Kong, *Smith* 2865–2868. 2872–2874——Advantages which would result to the colony of Hong Kong from the removal of the opium monopoly, *Stewart* 3284–3286. 3289–3291. 3295. 3311–3313——Way in which

Report, 1847—*continued.*

*OPIUM TRADE*—continued.

3. *Injury inflicted on the Colony of Hong Kong, &c.*—continued.

which the opium farm affects all branches of trade at Hong Kong, *Scott* 3710, 3711 —— Extent of the sale of opium in Hong Kong previously to the farm, and value of it; sale of it since the farm has existed; great decrease in the sale, *ib.* 3719-3722 —— The opium farm is extremely prejudicial to the well being of the colony, *Malcolm* 4616, 4617.

4. *Evidence generally as to the East India Company's Trade in Opium:*

The opium trade, so far as the English are concerned, is merely that vessels bring opium to Hong Kong, and it is transferred into smaller vessels, which carry it along the coast, *Balfour* 4399-4401 —— Information with respect to the traffic in opium between India and China, *Prideaux* 4668 *et seq.* —— Reference to a return laid before The House in the Session of 1846, on the motion of Mr. Moffatt, giving most of the information up to the last year that we have returns, *ib.* 4668 —— Statement made by witness that he can continue this return for a year later, *ib.* —— The return does not show the quantity of opium exported from India to China, but the quantity sold by the East India Company in Bengal, *ib.* 4669 —— In the year 1845-46 the quantity sold in the Bengal presidency was 2,74,93,343 rupees, which would be 2,749,334 *l.*, not including the Malwa opium, *ib.* 4668, 4669 —— All that is exported goes exclusively to China, *ib.* 4670 —— Similar statement with respect to the Bombay presidency, *ib.* 4672-4678 —— The amount realized from the opium sold by the East India Company is not all revenue, as it includes the cost, *ib.* 4679, 4680 —— Mode in which the opium is obtained by the Company; mode in which the price is fixed, *ib.* 4681-4688 —— Particulars of opium sold at Calcutta sales for each year from 1830-31 to 1845-46, and also part of 1847, *ib.* 4689 —— Opium is never exported from China to India on account of the Company, *ib.* 4708.

5. *Evidence as to the Price and Qualities of Opium:*

Evidence as to the fluctuations in the price of opium, and particulars as to the different qualities, *A. Matheson* 4555-4567 —— The price of opium has fluctuated very much during the last year; prices have been lower than in the preceding year, owing to the increased supply, *Braine* 4747.

6. *Mode in which the Payments for the Opium are made:*

Opium is never exchanged for tea; last year there was a very general exchange of opium for silk at Shang-hai, *Buchanan* 461 —— Latterly goods have been taken in exchange for opium; the payment for it formerly was in silver, *Wilkinson* 1335-1338 —— Effect of the payment for opium in Sycee silver on the course of trade through India, *A. Matheson* 2732-2739 —— It used formerly to be paid for entirely in Sycee silver, but is now partly paid for in silk, *Balfour* 4402-4406 —— Information as to the manner in which the opium trade is carried on, particularly as to the way in which payments are made for it, and the effect of it on the general trade, *A. Matheson* 4520 *et seq.* —— With few exceptions the opium trade is a cash trade; it is always paid for before it is delivered, *ib.* 4520.

The large value of the opium which is sent from India to China makes the balance of trade very much against the Chinese, *G. Moffatt* 1123 —— In consequence of this they demand and obtain a very high price for their teas, which the importers of English produce into China are compelled to take in payment, *ib.* 1123-1125 —— The exchange of opium for tea is a very rare occurrence, *A. Matheson* 4522 —— A portion of the silver paid for the opium is shipped to India, but not the whole of it; a portion of it remains in China, *ib.* 4523-4543 —— Mode in which, and place where, the bargains in opium take place, *Braine* 4768-4770.

7. *How far any Check might be put upon the Trade; whether such Check would be beneficial:*

A duty on opium for internal consumption in Hong Kong would curtail the local trade in it; difficulty in the way of levying such duty, *A. Matheson* 2341-2365 —— How far the combined efforts of the British and Chinese Governments would be competent to put down the opium trade, *Smith* 2848-2853 —— How far it would be possible for the British Government, with the assistance of the Chinese Government, to put down the opium trade; how far the Chinese Government were ever sincere in their desire to suppress it, *J. Matheson* 3108-3114. 3116-3121 —— Witness would propose an absolute prohibition of the importation of opium into China by any of our subjects, *Martin* 3924. 3935-3941 —— By the concurrence of the three Governments of England, America, and France, the introduction of opium into China might be prevented, *ib.* 3933-3935 —— Our Government refusing to have anything to do with the opium trade would not immediately tend to put a stop to it, *ib.* 3943-3945 —— Advantages which would arise from this country checking the trade by every means in its power, *ib.* 3945-3951 —— If the trade in opium were unrestricted in Hong Kong, there would be a large employment in the preparation and manufacture of it going on in the island, *A. Matheson* 2402.

Report, 1847—*continued.*

*OPIUM TRADE*—continued.

8. *Probability of the Trade being legalized in China:*

The Chinese government has entertained the idea of admitting opium at a low rate of duty; opinion that in a short time this will be carried into effect, *Gibb* 710–713——Evidence generally as to the introduction of opium into China, and the consumption thereof; difficulties in the way of the government stopping the consumption, *Smith* 2823–2842——From what witness has heard, he believes that the opium trade will be legalized in China, and that it will be raised in China itself, *ib.* 2854–2858——There is a tacit recognition of the difficulty of dealing with the question, *Balfour* 4451——Witness does not entertain any expectation of the opium trade being formally legalized by the present Emperor; the present state of the trade is more profitable, *ib.* 4451–4458——Opinion that in the course of time the opium trade will be legalized, *A. Matheson* 4551–4554——The facility of sale has increased since the Chinese government have almost abandoned any attempts to restrain the trade, *Braine* 4748–4750——The importation has always been carried on without difficulty, *ib.* 4748.

*See* also *Bonding System.* *Cumsingmoon.* *Hong Kong*, 3. *Malwa Opium.* *Poppy.* *Smuggling.* *Sycee Silver.*

*Over Trading.* Witness attributes the unsatisfactory and unprofitable state of the China trade to over trading, from which it will most probably recover itself, *Wilkinson* 1280——Evidence as to our over supply of woollen and cotton goods for the Chinese market, especially of cotton goods, *ib.* 1291–1298.——*See* also *Barter Trade.*

P.

*Pekin.* Witness cannot suggest any means by which an opening could be made at present to the Imperial Court of Pekin, *A. Matheson* 2706——Opinion that it would be practicable to open a negotiation for the establishment of a British resident at Pekin, *Martin* 3920——The Russians have an establishment there, and we might have had it or anything else at the time of the treaty of Nankin, if we had applied for it, *ib.* 3920–3922——Nature of the Russian establishment at Pekin, *Balfour* 4484–4492——There would be no advantage in our possessing an establishment there under similar limits, *ib.* 4487——Impracticability of establishing a British resident at Pekin, *Malcolm* 4639–4645.

*Pekoe Tea.* See *Congou Tea.*

*Piracy.* Piracy is carried on to a fearful extent on the coast of China; between Hong Kong and Canton there is great obstruction to the British trade from this cause, *Gibb* 714–722. 727, 728——As far as piracy is concerned it is dangerous to go backwards and forwards in the native boats, but this is for the Chinese to put down, *Wilkinson* 1375——In the immediate vicinity of Canton a great deal of piracy now exists, *ib.* 1404–1406. 1410——Frequency of piracy and land robberies in China, *Fortune* 4122–4132. 4273–4277.

*Police.* Inefficiency of the internal police at Canton, *Wilkinson* 1404–1410——Imperfection in, and objections to, the system of police at Hong Kong, *Smith* 2874–2886——System of police established at Hong Kong; improvements made therein latterly, *Malcolm* 4596. 4599.

*See* also *Hong Kong*, 3. *Registration System.* *Singapore.*

*Poppy.* The Chinese themselves cultivate the poppy very extensively, *Braine* 4762–4765. 4767——There has been a great increase in the production of the poppy throughout the Indian territories, *Prideaux* 4690, 4691.

*Portuguese.* The regulations made at Hong Kong have thrown the trade into the hands of the Portuguese, *Gibb* 812, 813——The Portuguese resident settled at Macao has no advantage over the English merchant at Hong Kong, *ib.* 815.

*Post-office Regulations* (Hong Kong). Opinion expressed by the Committee that a regular post-office communication by steam-boats from Hong Kong, both to Canton and to the northern ports, would add much to the security and activity of our commerce, *Rep.* viii——Particulars as to imperfect system upon which the post-office arrangements are carried on, *S. Rawson* 3467–3469——Imperfect state of the arrangements for conveying the mails between Canton and Hong Kong, *ib.* 3508–3515——Paper which witness has been requested by Mr. Rawson to deliver in, relating to the administration of the Hong Kong post-office, *Reid* 4314.

*Pottinger*, Sir *Henry.* See *Hong Kong*, 2. *Sales of Land*, 2.

*Price of Provisions.* Reasons for forming the opinion that the effect of the high price of provisions is to limit the consumption of tea, *Christie* 4071–4073.

Report, 1847—*continued.*

*PRICE OF TEA:*

1. *Cost of Tea in China; Price thereof; Fluctuations in the Price.*
2. *Opinions that an Increase of Consumption in this Country would not materially affect the Price in China.*
3. *Increased Consumption to be expected from a Reduction of Price.*
4. *How far the Consumer would benefit by a Reduction of Duty.*
5. *Papers laid before the Committee.*

1. *Cost of Tea in China; Price thereof; Fluctuations in the Price:*

The prices for tea in China are lower at the present time than they have been at any previous period, *Sir G. Larpent* 92–97——Fluctuations in the price of tea in China; upon the whole the transactions with China have not been profitable, *Gregson* 140–163——Prices of teas in the months of February and November 1834 to 1838, and from 1842 to 1846 inclusive, extracted from the "Canton Register," *Norton* 260——With respect to the newspaper price currents, the merchants make great allowances for the state of the markets and for the nominal state of prices, and thereby come to an approximation of what is the reality, *ib.* 261——Price of different classes of tea in 1833, *Crawfurd* 2427-2430——Evidence as to the variations in the price of tea in China, *Silverlock* 2549–2557——Table delivered in, prepared by Mr. Gregson, with reference to the cost of tea, showing how much a certain price in taels amounts to per pound in China, *ib.* 2640——Also showing the amount of charges that have to be paid before it is sold in London, *ib.*——There is no room for a reduction in the cost price of the article of tea, *Winch* 2934–2936——The prices of tea have been anything but uniform since the opening of the trade, *R. Moffatt* 3427, 3428.

2. *Opinions that an Increase of Consumption in this Country would not materially affect the Price in China:*

Reasons for the Committee forming the opinion that the increased demand for tea in China, consequent upon the increased consumption in this country to be expected from a reduction of duty, would not tend to advance the price of tea in China, *Rep.* vi, vii——By the introduction of tea into Europe there is a gross amount of 70 or 80 millions of pounds now consumed in Europe, which has had very little effect upon the Chinese prices, *Sir G. Larpent* 8–11——Reasons for forming the opinion that the increased demand which would be consequent upon the reduction of the duty would not tend to raise the price of tea in China, *ib.* 57-67——Opinion that the Chinese have the ability to prepare for a large demand without an increase of price, *Norton* 245, 246——Way in which witness accounts for the increase of 50 per cent. stated by Mr. Thom to have occurred when the speculation of 1836 and 1837 took place in China, *ib.* 247-250——Evidence to show that it is not likely that the ports in China would combine, and not sell their silks and teas except at a certain price, *ib.* 300-304——There is no fear of an increase in the price of tea in China from an increased exportation of tea from that country, *Buchanan* 485-487——Opinion that the Chinese can lower the price of their tea, *Farbridge* 1002-1006; 1028-1030——Opinion that the price of tea in China would not rise materially with an increased consumption and demand in this country; whatever rise there might be would only be temporary, *G. Moffatt* 1190-1199—— The demand for tea which would be consequent upon a reduction of duty would materially increase the price if there were not a sufficient supply; otherwise there would be no increase of price, *White* 1474, 1475——In the event of a greatly increased demand for tea there would not be any great increase in the price, *Brodribb* 1738. 1750-1757——Evidence to show that the price of tea does not depend entirely upon the quantity which we require from the Chinese, *Silverlock* 2577-2589——There is no reason to dread that a large reduction of the duty would lead to any increase in the price of tea in China, *J. Matheson* 3076-3087.

3. *Increased Consumption to be expected from a Reduction of Price:*

As the price of tea has fallen the consumption has increased, *Sir G. Larpent* 53——Grounds upon which witness forms the opinion that the increase of consumption in this country will go on in proportion to the diminution of price, *Norton* 253-260——The more the price is reduced the greater in proportion will be the consumption, *G. Moffatt* 1200——Evidence to show that this has been the case in other articles than tea; instances of coffee and sugar, *ib.* 1200-1209; 1216—— Difference between the price of tea in 1833, the last year of the Company's monopoly, and the present time; increase in the consumption since 1833, *Brodribb* 1717-1724——The reduction of 1*s.* 6*d.* a pound in the price of tea would tend to a great augmentation of the demand, *Wilson* 4304.

4. *How far the Consumer would benefit by a Reduction of Duty:*

Opinion expressed by the Committee that the full benefit of any reduction would very shortly, if not immediately, accrue to the consumer, *Rep.* vii——Supposing the duty on tea to be at once reduced to 1*s.*, the consumer would not at first get the entire benefit of such reduction, but would most probably do so eventually, *Sir G. Larpent* 56. 73-79——There is no doubt that if the duty on tea were suddenly reduced the consumer

Report, 1847—*continued.*

*PRICE OF TEA*—continued.

4. *How far the Consumer would benefit, &c.*—continued.

consumer would not at first get the benefit of such reduction, but if good notice were given he would most probably do so, *Norton* 307–316——The price to the consumer would be reduced in proportion to the reduction of duty, *Law* 1525–1528. 1533–1536.

5. *Papers laid before the Committee:*

Canton price current 2 January 1832 and 6 December 1844, *App.* 494——Prices at the public tea sale, London, 27 July 1844, *ib.*——Sale price of tea in England and on the continents of Europe and America, according to the consular returns and the continental price currents about July 1844; reduced to sterling money by Dr. Kelly's Cambist and by the most respectable mercantile houses, *ib.*——Table showing the laying down prices in London of 1 lb. of tea, costing in China from 10 taels to 85 taels per pecul, of 133⅓ lbs. to the pecul; including merchants' commission in China, &c., 1 per cent. broker's commission in London, managing rates and warehouse charges, insurance 2½ per cent., and freight 5*l.* per ton, *ib.* 504——Cost of tea as a return from China, including commission, shipping, expenses, freight (tea at 4*l.* per ton of 50 feet), insurance, landing charges, brokerage and commission on sale, and allowing for an average loss in weight, *ib.* 505.

*See* also *China Trade*, 2. *Coffee. Congou Tea. Consumption of Tea*, 2. 4. *Duty on Tea. East India Company. Public Sales. Russia. Tea Trade.*

*Prideaux, Francis William.* (Analysis of his Evidence.)—Assistant to the Examiner of India Correspondence at the India House, 4667——Information with respect to the traffic in opium between India and China, 4668 *et seq.*——Reference to a return laid before The House in the Session of 1846, upon a motion of Mr. Moffatt, giving most of the information up to the last year to which we have returns, 4668——Witness can continue this return for a year later, *ib.*——The return does not show the quantity of opium exported from India to China, but the quantity of opium sold by the East India Company in Bengal, 4669——In the year 1845-46 the quantity sold in the Bengal presidency was 2,74,93,343 rupees, which would be 2,749,334 *l.*, not including the Malwa opium, 4669-4688——All that is exported goes exclusively to China, 4670——There is some consumption in the Bengal presidency, but that is not included in these sales, 4671——Similar statement with respect to the Bombay presidency, 4672–4678.

The amount realized from the opium sold by the Company is not all revenue, as it includes the cost, 4679, 4680——Mode in which the opium is obtained by the East India Company; mode in which the price is fixed, 4681–4688——Particulars of opium sold at the Calcutta sales for each year from 1830–31 to 1845–46, and also part of 1847; 4689——There has been a great increase in the production of the poppy throughout the Indian territories, 4690, 4691——The individual cultivation is on a small scale; it is profitable to the cultivators, 4690–4695.

The Malwa opium is not under the control of the East India Company; the supply is largely increasing, 4690-4702——A pass is granted to take it to Bombay, and it is then sold to the merchants, 4696–4702——Amount of bullion imported into Bengal from China in 1845–46; 4703–4707——Opium is never exported from China to India on account of the Company, 4708——Bullion is never imported from China on the Company's account, 4709–4711——Statement showing a portion of the trade between India and China in 1844–45; 4712–4714.

*Provision Markets* (Hong Kong). The open provision markets are farmed out to some of the Chinamen, *Gibb* 838–842——Information in detail with respect to the revenue derived from the market rents, and objections thereto; way in which the system of farming the market interferes with the supply and price of provisions, *A. Matheson* 1952–2024——Abuse in the system of letting the markets, *Scott* 3735–3738——Explanation in detail respecting the monopoly of the market-place at Hong Kong, *Malcolm* 4633–4635.——*See* also *Hong Kong*, 3. *Price of Provisions.*

*Public Sales of Tea.* There is a general indisposition among the trade to buy at public sales, *Gregson* 207——Public sales obstruct the circulation of tea very considerably, *ib.* 208——The indisposition of the trade to buy at public sales has very much increased; cause to which this may be attributed, *White* 1461, 1462——Great objection to public sales of tea, *Brodribb* 1768–1771——Preference given to private sales of tea to their being sold by auction; almost all the sales of tea are now by private contract, *Christie* 4090, 4091.

*Punishments.* Evidence generally with respect to the punishments inflicted on the Chinese; objections to the practice of cutting off their tails and shaving their heads, *A. Matheson* 2067–2081. 2088–2092——Evidence generally as to the punishments inflicted on the Chinese, *Smith* 2879–2881. 2887–2892——One point that has had the effect of keeping the Chinamen away has been the inflicting of fines as a punishment, *S. Rawson* 3465——As also has the Branding Act, *ib.*——The system of cutting off tails

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Report, 1847—*continued.*

*Punishments*—continued.

was carried to a great extent at Hong Kong, *S. Rawson* 3465——Evidence respecting the punishments inflicted on the Chinese, such as corporal punishment, cutting off their tails, shaving their heads, &c., *Scott* 3669. 3682-3692. 3694-3696——Instances in which these punishments appear to have been abused, *ib.* 3699-3705——The system of cutting off the tails of the Chinese is objectionable, *Malcolm* 4631, 4632.

Q.

*Quality of Teas.* Evidence as to the disputes which have arisen with respect to the quality of the teas sent home from China, *Gregson* 169-176——The number of brokers who are well informed as to the different qualities of tea is very considerable, *ib.*——The quality of teas has rather degenerated since the war, *Farbridge* 1017, 1018——The export of tea from China accommodates itself with the most remarkable facility to the English demand, as regards quality, *G. Moffatt* 1149, 1150——The same plant is manufactured in different ways for green and black tea, but there are different varieties of quality, *Silverlock* 2569-2576——The opinion that the consumption of high duty and of the superior classes of tea has materially increased, may be accounted for from the fact that a great deal of what was formerly called by the name of the inferior class is now deemed to be of the superior class, *R. Moffatt* 3411-3419——A great improvement is going on in the quality of the teas now imported, *ib.* 3425, 3426——Report on the qualities of the various kinds of tea, *App.* 496.

*Quarries* (Hong Kong). The quarries in Hong Kong are farmed, *Gibb* 843.

*See* also *Hong Kong*, 5.

*Quelpaarts' Island.* The island called Quelpaarts' Island, south of the peninsula of Corea, is worthy of attention as a trading station, *Martin* 3961-3969.

*Quicksilver.* Particulars as to the export of quicksilver from China, *Gibb* 658, 659.

R.

*Raffles*, Sir *S.* See *Sales of Land*, 4.

*Rated Duty.* Preference given by the Committee to a fixed and uniform duty over a rated or *ad valorem* duty on tea, *Rep.* vii——Under the rated duty of 1833, the consumption of tea and the revenue were higher in proportion to the population than they have been since, *Crawfurd* 2424-2426——Price of different classes of tea in 1833, *ib.* 2427-2430——Revenue upon tea in 1833 and 1835, *ib.* 2431, 2432——The rated duty ceased in July 1836, *ib.* 2433——An enormous quantity of Bohea was taken out of bond at that time, in order to escape the new duty *ib.* 2434, 2435.

The Committee in 1835 decided in favour of the rated duty, but the Chancellor of the Exchequer determined upon the uniform rate, *Crawfurd* 2435-2437——The difficulty of distinguishing between Fokein, Bohea, and Congou was stated to be the cause of discontinuing the rated duty, *ib.* 2437-2441——Reference to the opinion expressed by the Select Committee of 1834 on the tea duties, with regard to a rated duty on tea, *ib.* 2446-2450. 2463——Objections to a graduated scale of duties on tea, *Silverlock* 2629-2635——The system of a rated duty was tried in 1834, and after 12 months' experience was abandoned, *Winch* 2988-2991——It would be impossible to draw a distinction either by an *ad valorem* or a rated duty between different kinds of tea, *R. Moffatt* 3406-3421. 3429-3432.

*Rawson, Christopher.* (Analysis of his Evidence.)—Merchant at Liverpool, 1850——As regards the question of the tea duties, the information witness is able to give refers more particularly to the prices obtained for goods in China, 1851——Delivers in statistics showing the amount of exports of cotton goods, 1851-1854——Statement showing the enormous increase that there has been progressively in the shipment of plain cottons and cotton yarns to China; the trade is now decreasing, 1854-1856——Paper delivered in, showing the exports of woollens to China from 1828 to 1839, during the existence of the Company's charter, divided into cloth, long-ells, and camlets; also statement showing the shipments of woollens from London and Liverpool to China from 1835 to the present time, 1856, 1857.

Decrease in the exports of woollens during the last three years, 1857——The camlet trade has decidedly diminished lately, 1858, 1859——Statements delivered in, showing that since 1844 the prices obtained for the great staple article of grey shirtings at Shanghai and Canton have almost always been remunerative, and that therefore the decrease in the shipments has not arisen from losses on the sale of the goods in China, 1860-1866.

Report, 1847—*continued.*

*Rawson, Christopher.* (Analysis of his Evidence)—*continued.*

There is hardly a possibility of getting cash in China for goods, 1866——Extracts from the "Returns of the Trade of the Five Ports," illustrating that a barter trade with the Chinese is the most desirable, and the only one that can be expected to grow to any magnitude, *ib.*——This barter trade is limited by the limited consumption of tea in this country; this may be attributed to the duty, 1867, 1868——Samples produced to show that the consumption of the staple article of our manufactures is almost without a limit in China, 1868——Our nankeens are not so good as the Chinese, 1869——We export an immense quantity of cotton from India to China; it is of inferior quality to their own, except that it is a short staple, 1870–1872——Witness has not the slightest doubt of the power of the Chinese to produce tea in any quantity, 1873–1879——Comparison between the old duties levied upon articles in China previously to the treaty and the present duties, 1880.

*Rawson, Samuel.* (Analysis of his Evidence.)—Has been in China, in Hong Kong and at Canton, as a merchant; has made two visits there, the first in 1838 and the last in 1844; the name of witness's firm is Blenking, Rawson & Co., 3460–3463——State of Hong Kong at present, 3464 *et seq.*——Most of the firms who purchased land there originally are thinking of leaving the colony and taking up their quarters at Canton, 3464——Principal causes of complaint in Hong Kong, 3465——One of these is the restriction in financial matters, *ib.*——Many of the government regulations have been carried out much against the wish both of the English residents and of the Chinese, *ib.*——One point that has had the effect of keeping the Chinamen away, has been the inflicting of fines as a punishment, *ib.*——The Registration Act has also caused many persons to leave the island, *ib.*——As also has the Branding Act, *ib.*——The system of cutting off tails was carried to a great extent at Hong Kong, *ib.*

Evidence showing that land has much decreased in value at Hong Kong, 3466——Particulars as to the imperfect system upon which the post-office arrangements are carried on, 3467–3469——Inconveniences arising from the restrictions as to trade which the merchants suffer at Canton, 3470——Limited space which the merchants have in and about Canton; their own persons are not safe if they go many hundred yards from the factory, 3470–3477. 3484-3491——Witness does not agree with the statement that the Americans and French have greater liberty than English subjects in going into the interior, 3478–3482——Notwithstanding the grievances and impediments which British subjects now suffer at Canton, it is witness's opinion that many commercial houses will withdraw from Hong Kong to Canton if the present state of things continues, 3483——How far it would be practicable for the Chinese government to redress these grievances if more urgent demands were made upon them by the British authorities, 3492–3496.

As regards the consular restrictions, there is one particularly that obtains at Canton which is a great inconvenience to commerce, 3497——This is, a refusal to allow the export manifests of ships to be seen, 3497–3504——Witness concurs in the evidence of those witnesses who consider that there has not been sufficient protection to the British residents at Canton, 3505——On a remonstrance being made, orders have now been sent out for a war steamer to be constantly at Canton; great advantages which will arise from this; protection it would afford against pirates, 3505, 3506. 3515-3527——Steamers ply for passengers between Canton and Hong Kong, but they draw too much water for Canton river near the factories, and run very irregularly, 3507——Imperfect state of the arrangements for conveying the mails between Canton and Hong Kong, 3508–3515.

*Reduction of Duty.* See *Duty on Tea.*

*Registration System.* Evidence generally as to the operation of the Registration Act on the commerce between this country and China; original object of this Act, *Gibb* 729–736——The registration system in Hong Kong is very obnoxious; the best thing to replace it would be an additional police force, *A. Matheson* 2675–2688——Objection to the registration system at Hong Kong, *Kerr* 3379–3392——The Registration Act has caused many persons to leave the island, *S. Rawson* 3465——The Chinese do not like the registration system, *Scott* 3667——The system is highly offensive to them; particulars as to the passing and object of the Registration Ordinance; it is quite unnecessary for the security of the island, *ib.* 3668–3698.

Evils arising from the registration system, as adopted at Hong Kong; remedy suggested, *Martin* 3995-4001——Witness looks upon the registration system in Hong Kong as a matter of police regulation, and sees no great objection to it, *Balfour* 4512–4515——Witness looks upon the registration system as a police regulation; it is extremely objectionable to the respectable Chinese, *Malcolm* 4627–4630.

*See* also *Macao.*

*Reid, Hugo.* (Analysis of his Evidence.)—Secretary to the Association for the Reduction of the Duty on Tea, 4313——Attends for the purpose of laying certain papers before the Committee, 4314——Extracts from papers presented to The House in 1847, called "Returns

Report, 1847—*continued.*

*Reid, Hugo.* (Analysis of his Evidence)—*continued.*

"Returns of the Trade of the various Ports of China," for the year 1846, illustrating the present distressed state of the trade and the unsatisfactory prospects for the future, 4314——Letter from Sir John Davis to Viscount Palmerston, dated Hong Kong, 24th February 1847, respecting the effect of the high duties upon tea in England upon the trade between this country and China, *ib.*——Report on the prospects of a British trade at Foo-chow-foo, by Mr. R. B. Jackson, 18th January 1847, *ib.*——Letter from Consul Macgregor to Sir John Davis, dated Canton, 15th February 1847, showing that last year has not been a prosperous one for the merchants engaged in the China trade, *ib.*——Paper which witness has been requested by Mr. Rawson to deliver in, being an extract from a paper called the "Friend of China," relative to the administration of the Hong Kong post-office, *ib.*

*Religion.* The Chinese are generally tolerant of all religions; there is an Edict of Toleration, *Smith* 2817–2822.

*Rents.* See *Sales of Land*, 1.

*Returns.* See *Barter Trade. British Manufactures*, 2. *Camlet Trade. Cash Payments. China Trade*, 2. *Competition. Native Produce. Duty on Tea*, 2. *Silk. Sycee Silver.*

*REVENUE:*

1. *England.*
2. *China.*

1. *England:*

Statement of the Committee, that although they will not pretend to affirm that no loss to the revenue would be consequent upon a great reduction in the duty on tea, *Rep.* v—Still they cannot forbear from stating the reasons which induce them to think that though the loss might for a time be considerable, it would not be of long continuance, *ib.*——The whole gist of the matter of the reduction of the duty on tea lies in the question of revenue, *Sir G. Larpent* 50——Difficulty of forming any estimate of the period in which, if the duty were reduced to 1 *s.*, the revenue would be restored to its present amount, *ib.* 51——Calculation as to what would be the probable effect upon the revenue, supposing the 50 per cent. at present expended in tea were expended in other articles, *Norton* 321, 322.

Reduction of duty witness would suggest at this moment to produce the results contemplated, particularly as regards the revenue, *G. Moffatt* 1217–1233——Probable effect upon the revenue of the reduction of the duty to 1 *s.*, *Brodribb* 1725–1737. 1739–1749. 1781–1789——Revenue upon tea in 1833 and 1835, *Crawfurd* 2431, 2432——Loss that would be sustained by the revenue if the duty upon all teas were reduced to 1 *s.* per lb., after making an allowance for increased consumption both of tea and sugar, *ib.* 2442——Reasons for forming the opinion that no very great defalcation would occur to the revenue from a liberal reduction of the duty on tea, *Winch* 3020–3044——Difficulty of making any calculation as to the time it would take to bring up the revenue to its present state if the duty were reduced to 1 *s.*; rate at which witness calculates the increase of consumption in the first year, *R. Moffatt* 3448–3458——As regards the apprehension about the diminution of the revenue, if the duty on tea were reduced, it is witness's opinion that every shilling that the revenue would lose from the diminished consumption of intoxicating drinks would be gained in the poor rates and the cost of crime, *Beggs* 3620, 3621——Assumed effect on the revenue by the alteration of the duty on tea from 2 *s.* 2 ½ *d.* to 1 *s.* per lb., *App.* 444.

2. *China:*

Particulars respecting the Chinese revenue, and sources from which derived; difficulty of ascertaining the gross revenue, *Balfour* 4428–4432.

*See* also *Ad-valorem Duty. Duty on Tea*, 3. 4. *Hong Kong*, 1. 3. 5. *Tea Trade.*

*Rice.* See *Chinese Peasantry.*

*Robberds, John Warden.* (Analysis of his Evidence.)—Of the firm of John Warden Robberds & Co.; in the camlet trade of Norwich; engaged in the camlet trade with China, 1552–1554——Present and former state of this trade, 1555——The great increase in the supply of camlets and other goods to China has caused an immense increase in the stock of tea sent to this country; the stock of tea in this country has increased 16,000,000 lbs. during the last four years, 1555, 1556——The state of things in China is such, that the sale of manufactured goods is regulated entirely by the quantity of tea that we can take, 1556.

The impediment to the increase in the consumption of tea in this country is the enormously high duty levied upon it, 1556——The high duty holds out a great temptation to adulteration, 1556–1558——Parts of China in which there is the principal demand for camlets, 1559, 1560. 1575——If we could take more tea the sale of camlets

Report, 1847—*continued.*

*Robberds, John Warden.* (Analysis of his Evidence)—*continued.*

would be very much increased, 1560–1563. 1573–1575——Many of the manufacturers in Norwich have given up the trade with China on account of the difficulty of obtaining profitable returns, 1560–1563. 1586–1596——There is no other country which manufactures camlets similar to ours, 1564, 1565. 1570.

The Americans do not take camlets from Norwich now as they used to do, 1566–1570——Camlets are now made by the power-loom instead of by the hand-loom; this has reduced the price very much, 1571–1573——The camlets are manufactured wholly of British wool, 1576, 1577——Duty levied on camlets in China, 1578–1580——Classes of the Chinese by which the camlets are worn, 1581——Statement of the progress of the export of camlets for the last 10 years, 1582–1596——Reasons for forming the opinion that the further opening of the China market would diminish the competition in that market, which at present is one source of injury to the merchants and manufacturers, 1597–1610——Way in which the decrease of the demand in China for our worsted and woollen stuffs may be accounted for, 1611–1619.

The fluctuations of the fashions in China are not so great as to have had anything to do with the diminished demand for camlets, 1620–1623——One cause of the diminution of the demand for woollens has been the increased demand for our cottons, 1624–1627——The Russian trade has not interfered with the camlet trade of Norwich, 1628, 1629——Competition of the Americans with this country in the export of woollens to China, 1630–1639——Preference to a fixed duty on tea over an *ad valorem* duty, 1640, 1641——The present depressed state of the trade with China arises from the impossibility of the Chinese to make a return for our manufactures, 1644–1658.

*Russia.* The Russian imported tea is far superior to ours, *Sigmond* 3530–3532. 3535–3545——Evidence to show that the Russian tea is bought from a different part of China from that whence our supplies come; it is grown near Pekin, *ib.* 3536, 3537——It passes through Kiatka, and is exchanged at the great fair of Novogorod; the exchange is carried on almost entirely by barter, *ib.* 3536–3545——Difference between the tea sent to Russia and that sent to England; that sent to Russia is a very young tea, *Fortune,* 4103–4109——The teas exported to Russia bear a higher price in China than those exported to England; being a younger tea, it is necessarily dearer, *ib.* 4236–4242——Russian importation of tea in the years 1824, 1825, 1826, and 1827, *App.* 493.——*See* also *Pekin.*

S.

*SALES OF LAND:*

1. *Injurious Effect of the Mode in which Land has been Sold in Hong Kong; Remonstrance made to the Home Government on the Subject.*
2. *Particulars as to the Sale of Lands in Hong Kong under Captain Elliott in* 1841; *Complaints made that the Home Government have not fulfilled the Conditions of such Sale.*
3. *Also particulars as to the Sales of Lands under Sir Henry Pottinger in* 1844; *Steps taken by the Home Government as regards those Sales.*
4. *Manner in which the Land was disposed of in Singapore.*
5. *Papers laid before the Committee.*

1. *Injurious Effect of the Mode in which Land has been Sold in Hong Kong; Remonstrance made to the Home Government on the Subject:*

The manner in which land has been sold in Hong Kong has affected British merchants very injuriously; way in which it has affected them; instance given, *Gibb* 737–745. 756–811——A remonstrance has been made to the Home Government on this subject by the British merchants; no reply has been received to this remonstrance, *ib.* 738. 746–755——Evidence as to the rent paid for land in Hong Kong, *ib.* 824–828——The terms upon which land is sold has affected its sale, independently of the declining state of the colony, *A. Matheson* 2249 *et seq.*——The granting of leases at Hong Kong for a longer period than 75 years would be a great encouragement to the settlement of British merchants, *Gordon* 3205–3209——This would generally have assisted the development of our commercial relation in the colony, *ib.* 3205.

Evidence showing that land has much decreased in value at Hong Kong, *S. Rawson* 3466——Particulars respecting the land sales in Hong Kong, *Martin* 3907——Opinion as to the duration of the leases at Hong Kong, *Malcolm* 4600——For the price which is paid the land ought to be held for 999 years; such an arrangement would be most decidedly advantageous to the colony and to the government, *ib.* 4600–4607.

2. *Particulars as to the Sale of Lands in Hong Kong under Captain Elliott in* 1841; *Complaints made that the Home Government have not fulfilled the Conditions of such Sale:*

Observations of the Committee upon a petition presented to them, emanating from a highly respectable body of merchants resident at Hong Kong, complaining of the mode

Report, 1847—*continued.*

*SALES OF LAND*—continued.

2. *Particulars as to the Sale of Lands in Hong Kong, &c.*—continued.

mode in which the land sales have been conducted, *Rep.* viii——Statement with reference to the sale of certain lands at Hong Kong by Captain Elliott in 1841, *Wilkinson* 1351-1353——Evidence respecting the sale of lands at Hong Kong under Captain Elliott, with suggestions on the subject of the terms and length of leases; a larger deposit should be required from the purchaser to bind him to the bargain, *A. Matheson* 1943. 2224-2228. 2255-2305——The great grievance has been that the conditions of Captain Elliott's sales have not been fulfilled by the government, *ib.* 2255-2310——Refusal on the part of the Crown to confirm, as a right, the grants made by Captain Elliott in 1841, *Gordon* 3202-3204.

Witness is a holder of land on the island, purchased in 1841, under the terms of sale advertised by Captain Elliott, *Scott* 3750——Witness has built a first-class substantial house on one of the lots, in the expectation that he was to have a permanent property at an annual quit-rent, *ib.* 3751-3756. 3761-3767——Witness has never had a formal conveyance of the property from the Crown, according to the terms of sale, *ib.* 3754——But has been called upon peremptorily to take a lease of 75 years; reasons for objecting to accept such a conveyance; has since accepted this tenure, *ib.* 3754-3771.

Lengthened examination as to the conditions of the terms of sale, and as to the nature of the sales generally; how far witness has fulfilled, and is still willing to fulfil, these conditions; steps taken by witness and other parties in the colony on account of the conditions on the part of the Crown not having been fulfilled, *Scott* 3758-3860. 3872-3890——Observations on the original conditions on which the sales of land in Hong Kong under Captain Elliott were made, *A. Matheson* 3891-3903.

3. *Also Particulars as to the Sales of Lands under Sir Henry Pottinger in* 1844; *Steps taken by the Home Government as regards the Sales:*

Particulars as to the purchase of land by witness at the sale at Hong Kong under Sir Henry Pottinger in 1844; evidence to show that the Government did not comply with the conditions of this sale, *Gibb* 737 *et seq.*; 1798-1849——Information respecting the points referred to by Mr. Gibb respecting the land sales at Hong Kong, *Farbridge* 924-949——Witness delivers in documents relative to the sale of lands at Hong Kong, *Scott* 1543-1551——Particulars respecting the first sale of land at Hong Kong under Sir Henry Pottinger in January 1844; conditions of the sale which were published; mode in which the rent of the land so sold was adjusted and determined, *Gordon* 3133, 3134. 3137-3140. 3145. 3171-3174. 3225——There were holders of land prior to this sale; one of these was Mr. Gibb, of the firm of Gibb, Livingston & Co., *ib.* 3135, 3136——This land had been granted to him under certain conditions by Mr. Johnston, deputy governor, during Sir H. Pottinger's absence, *ib.* 3141-3144——There were also some holders of land which had been granted by Captain Elliott, *ib.* 3144.

Steps which were taken by the government, after the sale, to communicate to the parties the rent they had to pay, *Gordon* 3146-3151——Witness is not aware of any remonstrance having been addressed to Sir Henry Pottinger by Mr. Gibb as to the price put upon the land, *ib.* 3152. 3156-3158. 3161-3164. 3210-3214——Explanation with respect to a remonstrance which was addressed to Sir Henry Pottinger on the subject of the tenure, *ib.* 3152, 3153. 3159——Witness never heard any complaint as to the rent, nor as to the mode in which the bidding for the land was conducted, *ib.* 3154, 3155. 3165, 3166——A committee was appointed to inquire into the subject, both as to the grant of the land and the subsequent sale, *ib.* 3167-3170. 3200, 3201——This committee reported; the report was not published, but the terms of the tenure which that report recommended were made public; there would be no objection to the whole report being made public, *ib.*

None of the parties who bought land at this sale have repudiated their purchases, *Gordon* 3177, 3178. 3221-3224——Evidence respecting the purchase of land at this sale by Mr. Strachan, a clerk in the house of Gemmell & Co., merchants at Canton, *ib.* 3179-3199. 3215-3220——Remarks on witness's former evidence respecting the sale of land at Hong Kong in January 1844; correspondence on the subject delivered in, *Gibb* 3227——Reference to a statement made by Mr. Strachan to witness respecting an arrangement that was made between himself and the land officer, as to his not being required to retain all the lots he purchased, *ib.* 3227-3237——Evidence as to how far Mr. Strachan did throw up some of his lots, *ib.*

Grounds upon which witness considered the sale was collusive, *Gibb* 3228-3237. 3239-3244——The conditions of sale had not been published in the papers prior to the sale, *ib.* 3238——There were no conditions that were not strictly fulfilled; the terms of the sale, prepared by the legal officer, were all specified in the lease, *Gordon* 3250——Further evidence respecting the purchases made by Mr. Strachan, *ib.* 3251-3258.

Report, 1847—*continued.*

*SALES OF LAND*—continued.

3. *Also Particulars as to the Sales of Lands, &c.*—continued.

Evidence with respect to the preparation of leases in the surveyor-general's office, and the delivery of them to the treasurer to see that the conditions were fulfilled, *Stewart* 3262–3265——A statement was made in the weekly papers, containing complaints against the government for running up the price of land at the public sales; not the slightest importance was attached to this statement, *ib.* 3266–3268——A personal charge was made against Mr. Gordon, surveyor-general, on this subject, *ib.* 3268–3270——Witness is not aware that any government officers purchased land at these sales; they got grants of land previously, *ib.* 3271——Witness obtained a grant of land previously to entering the government service; it was granted by Mr. Johnston, deputy-governor, but was disallowed afterwards by Sir H. Pottinger; all the grants made were disallowed by the Home Government, *ib.* 3271–3278.

Witness was present at the sale of land in January 1844; statement as to the terms of the sale; there was no public notification of the terms, but merely of the sale, *Kerr* 3337–3356——At the time of these sales rents were run up, in consequence of parties attending the sale and purchasing lots without the remotest intention of taking up the leases, *ib.* 3338——The only mode by which the conditions of the sale could be ascertained was by taking up the leases, *ib.* 3357–3361——Great eagerness was shown to possess the lots, *ib.* 3362——Statement with regard to the notification of the terms of the sale of lands in January 1844, *Gordon* 3363 *et seq.*——The notification of sale was dated 12th December 1843; and in the Gazette of the 14th December it was notified that the terms of sale might be seen at witness's office 14 days prior to the sale; applications were made for the inspection of them, *ib.* 3363–3374.

4. *Manner in which the Land was disposed of in Singapore:*

Way in which the land was disposed of in Singapore; the grants are now all leases of 999 years, paying a small quit-rent, *Crawfurd* 2499, 2500. 2507–2518——In the first instance, most of the land on which the town of Singapore is built was given away, *ib.* 2501–2503——Attempts were made by Sir Stamford Raffles to sell the lands by public auction, but they turned out fictitious sales; no one paid, and they were obliged to be cancelled, *ib.* 2503——The granting of these long leases has very much facilitated the transfer of lands; the same system applied to Hong Kong would be very beneficial, *ib.* 2504–2506——Further evidence as to the grants of land to individuals at Singapore, *ib.* 2540, 2541.

5. *Papers laid before the Committee:*

Public notices and declarations respecting the sale of lands at Hong Kong, *App.* 374——Notifications by governor as to sales of land at Hong Kong, *ib.*——Notification as to the terms of sale, *ib.* 375——Table of fees to be taken in the land office at Hong Kong, *ib.* 382——Memorial of merchants at Hong Kong to Lord Stanley, Colonial Secretary, relative to the sale of lands at Hong Kong in 1844, *ib.* 384——Rejoinder to this memorial, *ib.* 386——List of purchasers and prices of land sale, Victoria, 22d January 1844, *ib.* 389.

Extract of a despatch from the Earl of Aberdeen to Sir H. Pottinger, dated 4th January 1843, relative to the sale of lands at Hong Kong, *App.* 390——Extract of a despatch from Governor Sir H. Pottinger to Lord Stanley, in reply to the foregoing, *ib.* 391——Extract of a despatch from Sir H. Pottinger to Lord Stanley, dated 17th July 1843, relative to the disposal of land at Hong Kong for military purposes, *ib.*——Report on the tenure of land at Hong Kong, *ib.* 395——Proposed system of classification of all lots (not being marine) which have been or may be disposed of in the island of Hong Kong, *ib.* 400——Classified list of all lots (not marine) disposed of in the island of Hong Kong previous to the 26th June 1843, *ib.* 401——List of town lots disposed of in the island of Hong Kong previous to the 26th June 1843, *ib.* 403——List of suburban lots disposed of in the island of Hong Kong previous to the 26th June 1843, *ib.* 406——List of marine lots disposed of in the island of Hong Kong previous to the 26th June 1843, *ib.* 407.

Further report on the tenure of land at Hong Kong, dated January 1844, *App.* 410——Copy of lease to be granted to holders of land in Hong Kong, *ib.* 412——Buildings in the course of erection at Hong Kong, on leases sold 22d January 1844, *ib.* 419——Letter from the officiating colonial secretary to the subscribers of a memorial to Lord Stanley, dated 25th August 1845, *ib.* 426——Land lease sale, Victoria, 1st October 1846, *ib.* 431.

*See* also *Hong Kong*, 3.

*Salt.* How far we have imported salt into China, *Gibb* 664——The salt trade in Hong Kong is a perfect monopoly; there is no scarcity, and the price is very trifling, *A. Matheson* 2100–2111——System pursued in the salt-weighing farm at Hong Kong, *Scott* 3732–3734——Witness fears that there will not be any chance of this country disposing of salt in China; it is a government monopoly, *ib.* 3864——The salt manufactured and used in China is bay salt; it is very good salt, *ib.* 3865.

*See* also *Hong Kong*, 5.

Report, 1847—*continued.*

*Scotland.* There is no doubt that the increase in the consumption of tea in Scotland would be equal to that of any other part of the kingdom, *Buchanan* 455, 456——Scotland is principally supplied with tea from Liverpool and London, *Law* 1529–1531——The reduction of the duty and the facilities given to the tea trade would at once tend to increase the consumption in Scotland; it would extend to the Highlands, where they never have tea now, *ib.* 1532. 1537–1541.

*Scott, William.* (Analysis of his Evidence.)—Was lately secretary of the Chamber of Commerce at Canton, 1542——Delivers in documents relative to the sale of lands at Hong Kong, 1543–1551.

[Second Examination.]—Has been in China 11 years; previous to his permanent residence there he went a voyage in the Company's service, 3634——Resided in Canton for four years, in Macao three years, and in Hong Kong about four years, 3635——Has been at Hong Kong several times, at different periods, 3636——The colony of Hong Kong is at the present time in as depressed a condition as it can possibly be, 3637——The cause to which this may be attributed is the absence of respectable Chinese inhabitants, 3638——This arises, first, from the harshness shown to the early Chinese settlers in respect of the occupation of lands; secondly, from vexatious regulations appertaining to matters of police; and thirdly, from the mode in which the revenue is raised, *ib.*

Evidence in detail in explanation of witness's meaning as to the harshness shown to the Chinese settlers in the occupation of lands, 3639–3666——Respectable Chinese showed a disposition to settle in the island at first, but they have all left since, 3661–3666——Evidence as to the vexatious regulations appertaining to matters of police, 3667 *et seq.*——The Chinese do not like the registration system and the opium farm, 3667——The registration system is highly offensive to them, and repugnant to their feelings; particulars as to the passing, and object of the Registration Ordinance; it is quite unnecessary for the security of the island, 3668–3698——Evidence respecting the punishments inflicted upon the Chinese, such as corporal punishment, cutting off their tails, shaving their heads, &c., 3669. 3682–3692. 3694–3696——Instances in which these punishments appear to have been abused, 3699–3705.

The mode in which the revenue is raised in Hong Kong is one cause of the depression of the colony, 3706 *et seq.*——It is raised upon the monopoly system; there are five farms in the island; the opium farm, the salt weighing, the stone quarrying, the markets, and the fishery; mode in which these farms are let; average produce, 3706–3709——Way in which the opium farm affects all branches of trade in the island, 3710, 3711——The usual mode of consuming the opium is by smoking it, 3712–3716——It is witness's opinion that used in moderation it is not prejudicial, but is, on the contrary, beneficial, 3716–3718——Extent of the sale of opium in Hong Kong previously to the farm, and value of it; sale of it since the farm has existed; great decrease in the sale, 3719–3722.

The trade since it has left Hong Kong has gone to the free settlement of Cumsingmoon and to Canton; the receiving ships remain at Cumsingmoon, and the opium is sold at Canton and Macao, 3723–3731——Cumsingmoon has risen to importance upon the ruins of Hong Kong, 3726——System pursued in the salt-weighing farm, 3732–3734——Abuse in the system of letting the markets, 3735–3738——Nature of the fishery farm; it does not bring much to the revenue, 3739, 3740——Evidence generally as to the various other sources of revenue in the colony; such as spirit licences, pawnbrokers' licences, registration of boats, fines and fees of the magistrates' courts, duties on sales by auction, &c., 3740–3746——Reasons why witness would prefer levying the revenue by a land rent to any other system, 3747–3749.

Witness is a holder of land on the island, purchased in 1841 under the terms of sale advertised by Captain Elliott, 3750——Has built a first-class substantial house on one of the lots, in the expectation that he was to have a permanent property at an annual quit-rent, 3751–3756. 3761–3767——Has never had a formal conveyance of the property from the Crown, according to the terms of sale, 3754——Witness has been called upon peremptorily to take a lease of 75 years; reasons for his objecting to accept such a conveyance; has since accepted this tenure, 3754–3771——Lengthened examination as to the conditions of the terms of sale, and as to the nature of the sales generally; how far witness has fulfilled, and is still willing to fulfil, these conditions; steps taken by witness and other parties in the colony on account of the conditions on the part of the Crown not having been fulfilled, 3758–3860.

There is no doubt that if the farms were done way with, the land revenue of Hong Kong might be improved, 3861——At the time the last mail left there were 288 writ of summons out for land rents, 3861——The land is being abandoned in large quantities, 3862——A large extent of warehouses, called the Albany Godowns, the property of a joint-stock company, has been thrown up, 3863.

Witness fears that there will not be any chance of this country disposing of salt in China; it is a government monopoly, 3864——The salt manufactured and used in China is bay salt; it is very good salt, 3865–3867——From the state of circumstances in China it would be easy to smuggle other articles besides opium, 3868–3871.

Report, 1847—*continued.*

*Shang-hai.* The port of Shang-hai promises to become a formidable rival to Canton, and to draw from it a considerable portion of its traffic, *Rep.* viii——Witness has found no difficulty in carrying on trade at Shang-hai; it is a very favourable place; the water communication is very good, *Gibb* 851-854——Evidence as to the supply of tea at Shang-hai, *Farbridge* 1010-1013——Increase in the export of woollens from this country to Shang-hai, *ib.* 1031-1052, 1063-1067——Failure of the plan which was attempted of establishing banks at Shang-hai, *ib.* 1062——Opinion that the export of tea from Shang-hai will increase rapidly, *A. Matheson* 2744——As far as we send goods in return for teas, Shang-hai will always be the great emporium of the China trade, *Balfour* 4465——This arises from the demand for our manufactures being so great at Soo-Choo, *ib.*——State of the trade between Shang-hai and the Japan islands, *ib.* 4467——Also between Australia and Shang-hai, *ib.* 4468, 4469——And between the islands of the Pacific and Shang-hai, *ib.* 4470——Intercourse between Shang-hai and Hong Kong, *ib.* 4471, 4472——Witness is not aware of any considerable or commodious place of trade north of Shang-hai, which it would be desirable to open to British commerce, *ib.* 4482, 4483.

*See* also *Barter Trade. British Residents in China,* 5. 8. *Canton. Chusan. Internal Communication. Opium Trade,* 6. *Silk. Supply of Tea. Sycee Silver.*

*Shipowners.* Statement as to the profit of the China trade to the shipowner, *Gregson* 212——He has generally obtained a rate of freight that has been remunerative; the freights are now rising very much, *ib.* 212, 213.

*Ships' Manifests.* See *British Vessels. Consular Regulations.*

*Shirtings.* Samples produced to show that the consumption of shirtings, the staple article of our manufactures, is almost without a limit in China, *C. Rawson* 1869.

*See* also *Gray Shirtings.*

*Siam.* Advantages which would arise to this country from establishing a collateral trade between China and Siam and Cochin-China, extending South of China, *Martin* 3969-3974——Copy of a treaty between the King of Siam and the East India Company, *App.* 458——Copy of a treaty between the King of Siam and the United States of America, concluded the 20th March 1833, *ib.* 461.

*Sigmond, George Gabriel,* M. D. (Analysis of his Evidence.)—Has looked a good deal into the question of tea, 3528——Was consulted by the East India Company in 1839, when the Assam tea was discovered in British India, *ib.*——Reference to a lecture witness read before the Royal Medico-Botanical Society on the subject of tea, and also to a work published by him on the subject, *ib.*——Witness's simple opinion is, that were the duty on tea reduced, the consumption would be much greater, and that we should be able to compete with Russia and other countries in the introduction of a higher class of tea than we at present have, 3529-3532——The Russian imported tea is far superior to ours, 3530-3532. 3535-3545.

Result of the medical inquiries which have been made into the effect of tea upon the human frame, 3533——A considerable increase in the importations of tea would be decidedly favourable to the healthy condition of the people, 3534——Evidence to show that the Russian tea is brought from a different part of China from that whence our supplies come; it is grown near Pekin, 3536, 3537——It passes through Kiatka, and is exchanged at the great fair at Novogorod; the exchange is carried on almost entirely by barter, 3536-3545——Witness is afraid that the Assam tea will turn out a failure, 3546, 3547——The great watchfulness produced by Assam tea must always prove an objection to it, 3548, 3549. 3582, 3583——Opinion that all the green tea introduced into this country is a preparation, and not a natural production, 3549, 3584, 3585——The green tea sent to the British market is, generally speaking, deleterious; evidence in detail as to the mode in which it is prepared; presence of prussic acid in it, and also of theine and gypsum, 3550-3574. 3582-3585——Green tea has an injurious effect upon the human system; cause of this, 3551, 3552. 3556-3562. 3574, 3582, 3583——Presence of copper in coffee, 3566. 3580, 3581.

Generally speaking, tea is a highly healthful drink; it is the most useful drink with which we are acquainted, 3575. 3591-3593——Coffee is the greatest stimulant, but tea is the most nutritive, 3576-3578. 3580, 3581——The vulgar notion of green tea obtaining its colour by being dried on copper is quite erroneous, 3586——Evidence as to the great difference in the mode of drying teas, 3587-3589——There is no doubt that there is both a black and a green tea; it is simply a botanical question as to species, whether they are species or varieties, 3590——Tea is the very best fluid that can be taken by the manufacturing population, 3591-3593.

*Silk.* Silk is very largely imported from China, *Sir G. Larpent* 123——Silk is an exception to the case of barter; a valuable article like this is always bought for coin, *ib.* 126——The trade in silk varies very much, and is very irregular, *Gregson* 217, 218——Witness has not remarked generally any increased consumption of silk, *Norton* 317-320——The last two or three years witness's house has entered very largely into silk; their exports from China advanced from about 4,000 to 20,000 bales; value of these bales,

*Gibb*

*Silk*—continued.

*Gibb* 499–501——The price has not risen in consequence of the greater demand; the price of silk has been much lower these last eighteen months in China, *ib.* 502–507.

Proportion of the export of silk from the different ports in China, *Gibb* 504——Evidence as to the consumption of silk among the population of China; they could supply us with any quantity without materially interfering with the price, *ib.* 611–623——Where the returns have been made in silk they have paid better than the returns in tea, *Turner* 1101, 1102——Silk is now forming a more considerable item of our imports from China, principally from Shang-hai, than it has done for some years, *A. Matheson* 2742, 2743——Last year it exceeded the export of tea from Shang-hai, *ib.* 2744——The capabilities of China for supplying this country with raw silk are very great, *Fortune* 4261, 4262——The exportation of silk from China to England is on the increase, *Braine* 4758, 4759——Cost of silk as a return from China, including commission, shipping expenses, freight (silk at 5*l.* per ton of fifty feet), insurance, landing charges, brokerage, and commission on sale, and allowing for an average loss in weight, *App.* 505.

*See* also *China Trade*, 2. *Hong Kong*, 2. *Imports. Native Produce. Opium Trade*, 6. *Sycee Silver.*

*Silverlock, John.* (Analysis of his Evidence.)—Has been eight years in China, principally at Canton; left it at the end of January 1847; 2546, 2546*. 2548——Was part of the time engaged as tea inspector in a house in Canton, 2547——Evidence as to the variations in the price of tea in China, 2549–2557——It is almost impossible to obtain positive information as to the quantity of tea that can be produced in China, 2558——Still there is reason for believing that China is capable of supplying any demand that may arise from a reduction of duty in this country, 2558–2564. 2567, 2568.

The qualities of the tea the Chinese use themselves might be converted into tea fit for the English market, 2565, 2566——The same plant is manufactured in different ways for green and black tea, but there are different varieties of quality, 2569–2576——Evidence to show that the price of tea does not depend entirely upon the quantity which we require from the Chinese, 2577–2589——The present rate of duty in this country is a matter of great complaint among the Chinese, 2590–2592. 2595——It is witness's impression that by the treaty there are no transit duties in China as regards tea, 2593——With regard to the imports, as they pass up the country, there are certain fees given to the mandarins at different passes, 2594.

The tonnage duties at Canton have been considerably lowered, 2596——Witness fully agrees in the prayer of the petition of the British merchants at Canton for the better protection of British subjects in China; nature of the protection which witness would suggest, 2597–2628——Objections to a graduated scale of duties on tea, 2629–2635——Table delivered in, prepared by Mr. Gregson, with reference to the cost of tea, showing how much a certain price in taels amounts to per pound in China, and also the amount of charges that have to be paid before it is sold in London, 2640.

*Singapore.* There is a considerable trade with all nations at Singapore; there is also a considerable junk trade from the various ports in China, *Buchanan* 465–468——During the last two years the trade between Singapore and China has not been profitable, *ib.* 475–481——Nature of the revenue system now pursued at Singapore; system of farming the revenue; the system has worked well, *Crawfurd* 2487–2497——There are municipal taxes at Singapore for local purposes, but not large ones; the principal is the police tax, *ib.* 2519, 2520——Extent of the public establishments at Singapore, and expenses of them, *ib.* 2521–2528——Returns delivered in, respecting the trade between Singapore and China, *Martin* 3975, 3976——Statement of the imports into Singapore from China, from 1834-35 to 1843-44 inclusive, *App.* 462——Statement of the exports to China, from 1834–35 to 1843–44 inclusive, *ib.* 464.

*See* also *Amoy. Crown Lands. Hong Kong*, 5. *Sales of Land*, 4.

*Smith*, Rev. *George.* (Analysis of his Evidence.)—Has been lately in China as a missionary on the part of the Church Missionary Society, 2762——Has had very limited opportunities of observing the commercial state of China, except by intercourse with the natives in the different free ports, 2763——The extreme poverty and want of money among the lower classes is the great difficulty that witness has observed in the four northern ports, 2764——They wish to have British manufactures, especially clothing, but their pecuniary means are so limited that they cannot obtain them, *ib.*——Tea is in general use among the poorest families, but it is a very bad kind of tea; the consumption is very great, 2765–2774——Tea is considered by the Chinese as a necessary of life, and not as a substitute for spirituous liquors, 2775–2778——They have a liquor distilled from rice, but intoxication is a vice to which they are not much given, 2776, 2777.

At Ningpo witness found the population generally friendly towards foreign intercourse and commerce, 2779–2783——There is a very different spirit prevailing among the people at Canton; their disposition is very hostile and turbulent towards foreigners, 2784, 2785——Witness attributes the difficulties which foreigners meet with

Report, 1847—*continued.*

*Smith*, Rev. *George.* (Analysis of his Evidence)—*continued.*

at Canton more to the feelings of the people and the weakness of the government than to indisposition on the part of the government to protect the British, 2786-7—2790——Great forbearance and circumspection on the part of foreigners in their conduct towards the natives will not always be successful; instance of this, 2791——The American subjects appear to be more in favour with the authorities; this may be attributed to the presence of the British consuls; the natives are more afraid of the British people, 2792-2801. 2810-2816.

The Roman-catholic missionaries have virtually, as missionaries, greater liberty than the Protestant, 2802-2809——The Chinese are generally tolerant of all religions; there is an edict of toleration, 2817-2822——The principal food of the poorer classes of the Chinese, besides tea, is rice, and a little pork and fish, but rice is the principal, 2823——Evidence generally as to the introduction into, and consumption of opium in China; difficulties in the way of the government stopping the consumption of it, 2823-2842——The city of Foo-Chow-Foo is decidedly the most thriving of the four northern ports, 2843-2847——How far the combined effort of the Chinese and British Governments would be competent to put down the opium trade, 2848-2853——From what witness has heard he believes that the opium trade will be legalized in China, and that it will be raised in China itself, 2854-2858——Opinion that Hong Kong is not more insalubrious than any of the other five ports, 2859, 2860——Highly objectionable nature of the opium farm at Hong Kong, 2865-2868. 2872-2874.

Imperfections in, and objections to, the system of police at Hong Kong, 2874-2886——Evidence generally as to the punishments inflicted on the Chinese, 2879-2881. 2887-2892——How far the missionaries have met with success in China, 2893-2909——The presence of English medical men has been found a very effective means of opening a communication with the Chinese, as far as regards the lower classes, 2910.

*Smuggling.* From the state of circumstances in China, it would be easy to smuggle other articles besides opium, *Scott* 3868-3871——There is no inducement to smuggling in China in any other article but opium, on account of the lowness of the duties generally in China, *A. Matheson* 3904, 3905——Arrangements which might be made to prevent smuggling in China, *Balfour* 4872-4875.

*Snuff and Tobacco.* Snuff and tobacco are farmed out by the government at Hong Kong, *Gibb* 837.

*Statistical Returns.* The difficulty of getting statistical returns of the imports and exports of China, has been a matter of complaint among the importers of goods from China for several years, *G. Moffatt* 1123——The difficulty is greatly increased by the large value of the opium sent from India to China, which is not included in the statements in the returns which are sent in, *ib.* 1123. 1130, 1131.

*Steam Vessels.* Steamers ply for passengers between Canton and Hong Kong, but they draw too much water for Canton River near the factories, and run very irregularly, *S. Rawson* 3507.

*Stewart, Charles Edward.* (Analysis of his Evidence.)—Was treasurer and financial secretary at Hong Kong from March 1842 to October 1844; 3259-3261——Evidence with respect to the preparation of the leases in the surveyor-general's office, and the delivery of them to the treasurer to see that the conditions were fulfilled, 3262-3265——A statement was made in the weekly papers containing complaints against the Government for running up the price of land at the public sales; not the slightest importance was attached to this statement, 3266-3268——A personal charge was made against Mr. Gordon, the surveyor-general, on the subject, 3268-3270——Witness is not aware that any Government officers purchased land at these sales; they got grants of land previously, 3271——Witness obtained a grant of land previously to entering the Government service; it was granted by Mr. Johnston, deputy governor, but was disallowed afterwards by Sir H. Pottinger; all the grants made were disallowed by the Home Government, 3271-3278.

A freedom from taxation and monopoly would be the only way of making Hong Kong flourishing; the commercial regulations are very prejudicial; injurious effect of the 13th article of the treaty with China, 3279-3324——Advantages which would result from the removal of the opium monopoly, 3284-3286. 3289-3291. 3295. 3311-3313——The land rents should be looked to for the revenue, 3287. 3317——The best means to be adopted as regards the revenue, would be long leases and annual rents, 3324-3333.

*Stock of Tea.* Import deliveries, and stock of tea in the United Kingdom, for the years ending 31 December 1845, 1844, and 1843, *App.* 484.

*See* also *Camlet Trade. Supply of Tea. Tea Trade.*

*Strachan,*

Report, 1847—*continued.*

*Strachan*, Mr. See *Sales of Land.*

*Sugar.* The increased consumption of sugar consequent on any large increase in that of tea would assist in repairing the loss to the revenue, *Rep.* vii——If the duty on tea were reduced to 1 *s.* the revenue would gain by an increased consumption of sugar, *Sir G. Larpent* 49, 50; *Brown* 4716——Evidence with reference to the increased consumption of sugar not corresponding with the increased consumption of tea, from 1832 to 1840, *Sir G. Larpent* 98–108——It is not likely that sugars will continue to be a large means of import from China, *Buchanan* 458, 459——A greater consumption of tea would naturally induce a greater consumption of sugar, *Bazley* 900, 901. 919; *R. Moffatt* 3423, 3424——There has been a progressive demand for sugar, in proportion to the increased demand for tea, *Law* 1511–1514——The cause of the great increase in the consumption of sugar in England has been the reduction of the duty, *Sir G. Larpent* 54, 55——There is no question that the cheaper price of sugar will create a very increased consumptionn, *Bazley* 920.

Sugar has been imported from China to a limited amount, profitably, *Gregson* 219, 220——Estimate of the cost of those sugars in China which were brought to this country from China last year, *Norton* 350——Raw sugar has lately been imported from China; the first cargoes paid exceedingly well, but the recent fall in the price renders it less profitable than formerly, *G. Moffatt* 1137–1141.

*See* also *Duty on Tea*, 6. *Native Produce.*

*Supply of Tea.* Opinion formed by the Committee that the Chinese are capable of supplying us with tea to an unlimited extent, *Rep.* vi, vii——Capability of the Chinese to supply us with any quantity of tea we may require, *Sir G. Larpent* 8; *Farbridge* 1028–1030. 1053; *G. Moffatt* 1148–1150. 1177–1190; *Wilkinson* 1281–1290; *C. Rawson* 1873–1879; *Brown* 4716——The advance in the price of tea in 1840 to 2 *s.* 4 *d.* upon the price of 1 *s.* 7 *d.* in 1839, was owing to the Chinese war, and the fear that the supply would be stopped, *G. Moffatt* 1270——Witness is not aware of any instance in which the crop of tea in China has failed, *Norton* 267–271——How far witness has made any calculations as to the amount of tea which is available in China, *Gibb* 549–553——Length of time which would be required to produce any considerable increase in the supply of tea, *ib.* 560, 561.

Particulars as to the supply of tea from Shang-hai, *Wilkinson* 1347–1350——It is almost impossible to attain positive information as to the quantity of tea that can be produced in China, *Silverlock* 2558——Still there is reason for believing that China is capable of supplying any demand that may arise from a reduction of duty in this country, *ib.* 2558–2564. 2567, 2568——The qualities of the tea they use themselves might easily be converted into tea fit for the English market, *ib.* 2565, 2566——Reasons for forming the opinion that the production of tea can be easily increased in China, *J. Matheson* 3076——Extent to which the cultivation of tea might be extended in China, if there were a greater demand for it in this country, *Fortune* 4112. 4144, 4145——There are no means of knowing what quantity of tea is grown in the western parts of China, *Balfour* 4385, 4386.

So long as the land of China continues abundant, and the rent moderate, there is no other country which will be able to come into competition with it in the production of tea, *Crawfurd* 2755——In Brazil it has been a total failure, and also in Java; and witness suspects it is a failure also in Assam, *ib.* 2755, 2756. 2758. 2760, 2761——It has been tried in Malacca, but Malacca is still worse, *ib.* 2757——Witness has heard that tea of very good quality is manufactured in Kumaon, in the western part of India, but doubts its ultimate success; it wants skilled labour and cheap labour, *ib.* 2759——Statement showing the probability of increased supply, *App.* 444.

*See* also *China Trade*, 2. *Consumption of Tea*, 2. *Price of Tea*, 2. *Shanghai. Tea.*

*Sweden.* Quantity of tea exported from Canton by the Swedes, *App.* 490.

*Sycee Silver.* The opium is chiefly paid for in bullion, in sycee silver, *Gregson* 226–236; *Braine* 4751–4757——The export of sycee has been a source of great inconvenience to the Chinese government, *Gibb* 660–663; *Balfour* 4805–4826——Evidence as to the variations in the price of sycee silver, *Wilkinson* 1339–1346——At the time witness was in China, there was a great abundance of silver, *J. Matheson* 3095–3098——There is little doubt that the Chinese government have sources known only to themselves, or at any rate which are kept very secret, of getting at silver in times of difficulty, *ib.* 3098——There has been much less practical inconvenience felt in China from the exportation of sycee silver than might have been supposed, *ib.* 3114, 3115.

Formerly an enormous quantity of sycee silver was sent out of China, *A. Matheson* 4523–4543——At one period a great deal came home on Government account; the 6,000,000 *l.* received from the Chinese came home in sycee silver, *ib.* 4525——Amount of bullion imported into Bengal from China in 1845–46, *Prideaux* 4703–4707——Bullion is never imported from China on the East India Company's account, *ib.* 4709–4711——

Report, 1847—*continued.*

*Sycee Silver*—continued.

4711——The great complaints made by the Government respecting the opium trade, in their official documents, was, that it occasioned a great leaking out of the sycee silver, rather than that it was injurious to the people, *Braine* 4750——The export of silver from China has been reduced during the last year, owing to the increase in the exportation of silk, *ib.* 4751-4757.

When our goods were first sent to Shang-hai we obtained sycee silver readily, *Gibb* 645-6——During the war there was an extraordinary abundance of sycee silver; witness has known it as low as five per cent. discount, *A. Matheson* 4524——At that time our merchants received some of it in return for their goods, *ib.* 4526-4530——The reason why many of the merchants took tea in exchange for their goods, in preference to sycee silver, was, that they were looking forward to a reduction of the duty on tea, and also anticipated a greater demand for tea in this country, *ib.* 4530-4533——Impossibility of merchants in China now selling British manufactures for sycee silver to any extent, *ib.* 4544——The reason why the silver for which the opium was exchanged was not sent home was, that the holders of the opium were in India, and not in England, *ib.* 4545.

*See* also *Native Produce. Opium Trade. Silk.*

## T.

*Taxation.* Witness prefers the land-tax, as adopted at Hong Kong, to any other system of taxation; this tax might be reduced with great advantage to the revenue, *A. Matheson* 2672-2677.

*Tea.* Reference to a lecture witness read before the Royal Medico-Botanical Society, on the subject of tea, and also to a work published by him on the subject, *Sigmond* 3528——Result of the medical inquiries which have been made into the effect of tea upon the human frame, *ib.* 3533——A considerable increase in the importations of tea would be decidedly favourable to the healthy condition of the people, *ib.* 3534——Generally speaking, tea is a highly healthful drink; it is the most useful drink with which we are acquainted, *ib.* 3575. 3591-3593——Result of witness's investigations as regards the tea plant in China, *Fortune* 4095 *et seq.*——Districts in which the green and black teas are obtained for home consumption; distance of these districts from Shang-hai, *Balfour* 4372-4385——The same districts supply tea for export and for home consumption, *ib.*——Reasons for forming the opinion that the quantity of tea exported must be very small, as compared with that required for home consumption, *ib.* 4385.

*See* also *Assam Tea. Black Tea. Bohea Tea. Canton. China Trade*, 1. *Chinese Peasantry. Coffee. Congou Tea. Consumption of Tea. Cultivation of Tea. Duty on Tea. Hyson Tea. Imperial Tea. Native Produce. Opium Trade*, 6. *Price of Tea. Quality of Teas. Russia. Shang-hai. Silk. Stock of Tea. Supply of Tea.*

*Tea Dealers.* See *Importers of Tea.*

*Tea Brokers.* See *Quality of Teas.*

*Tea Trade.* Tea, and the consumption of tea, must be looked to mainly as the source from which the revival and increase of our trade with China can be expected, *Rep.* iv, v——Statement of the revenue, rate of duty, prices, and consumption of tea, as compared with the population, at each decimal period from 1801 to 1841, and also in 1846, *White* 1434——Statement of consumption, revenue, average rate of duty per pound, and price of tea from 1800 to 1846, *ib.* 1436——The stock of tea in this country has increased 16,000,000 lbs. during the last four years, *Robberds* 1555, 1556.

Consecutive history of the tea trade, so far as it is connected with this country, *Brown* 4716——Prior to 1667 no tea was imported into this country by the East India Company, and but little by private trade; in that year the Company sent out its first order for 100 lbs., *ib.*——Reasons for supposing that up to that period, up to 1707, the duty was very heavy; price then paid for tea, *ib.*——In 1747 the duty was reduced 2*s.*, and it quadrupled the consumption, *ib.*——In 1768 the duty on black tea was reduced 1*s.*, and the consumption increased 80 per cent., *ib.*——Evidence in detail as to other reductions and impositions of duty, and variations in the consumption consequent thereon, *ib.*

A very important fact connected with the tea trade is embraced between the periods 1822-23 and 1831-32, *Brown* 4716——The East India Company reduced the price of Bohea 7½*d.* per lb.; and as it was charged with an *ad-valorem* duty, a similar reduction was made by the Government, amounting together to 1*s.* 2*d.* per lb., *ib.*——In consequence of this the consumption rose from 1,800,000 lbs. to 6,400,000 lbs., *ib.*——On the abrogation of the charter, the consumption increased from 31,000,000 lbs. to 44,000,000 lbs., producing a revenue of 4,800,000*l.*, *ib.*——What we shall have to contend with will be the difficulty of supplying this amount of revenue, *ib.*

Report on the tea trade transmitted to Her Majesty's Government from China, in July 1845, by R. M. Martin, *App.* 482——Import deliveries and stock of tea in the United

Report, 1847—*continued.*

*Tea Trade*—continued.

United Kingdom, for the years ending 31 December 1845, 1844, and 1843, *App.* 484——Teas exported from China to Great Britain between 1 July 1843 and 30 June 1844 in 96 ships (Saghalien and City of Derry loading), *ib.* 485——Statement of the export of tea from Canton to the United Kingdom, commencing 1 July 1841, ending 30 June 1842, *ib.* 486——Account of the number of pounds of tea shipped at Canton on board foreign European ships; viz. Swedish, Danish, Dutch, French, Portuguese, Spanish, Prussian, Austrian, Russian, Hamburgh, Tuscan, &c., *ib.* 487.

Quantity of tea exported from Canton by the Dutch, from 1783 to 1808, *App.* 488——Statement as to the tea trade with the Netherlands, *ib.*——Quantity of tea shipped at Canton by the Danes, *ib.* 489——Quantity of tea exported from Canton by the Swedes, *ib.* 490——Exportation of tea by the French from Canton, from 1782 to 1807, *ib.* 492——Quantity of tea imported from China into the United Kingdom since the year 1669; rates of duty levied; quantities retained for home consumption; revenue received; average price per lb., &c. *ib.* 501.

*See* also *Barter Trade. British Manufactures,* 2. *Canton. China Trade,* 1. *Exports. Native Shipments. Opium Trade. Price of Tea. Public Sales of Tea. Quality of Teas. Russia. Shang-hai. Stock of Tea. Sugar. Supply of Tea.*

*Temperance.* See *Chinese Peasantry. Labouring Classes.*

*Thom,* Mr. Observations on a letter published by Mr. Thom on the tea trade; he took a very strong view indeed of the question of the reduction of duty, and expressed that view very strongly to the Government, and, as witness thinks, upon very erroneous grounds, *Norton* 261–266. 296–299——Great services rendered by the late Mr. Thom in China, *Malcolm* 4659–4664; *Balfour* 4856–4859.——*See* also *Price of Tea,* 2.

*Tobacco.* See *Snuff and Tobacco.*

*Tonnage Duties.* The tonnage duties at Canton have been considerably lowered, *Silverlock* 2596.

*Transit Duties* (China). The transit duties bear a very heavy proportion to the cost of the tea at the place of production, *Gibb* 587–590——The duties which attach to the conveyance of woollens from the port to the northern districts of consumption are very moderate, *Gott* 1919–1921——It is witness's impression that there are no transit duties in China as regards tea, *Silverlock* 2593——With regard to the imports, as they pass up the country there are certain fees given to the mandarins at different passes, *ib.* 2594——Evidence with respect to the transit duties in China, *J. Matheson* 3088–3094.

*Treaties.* Opinion expressed by the committee that the treaties negotiated by Sir H. Pottinger appear to have been honestly carried out by the Chinese authorities, except at Canton, *Rep.* vii——The existing treaties, if strictly observed, are a great impediment to the trade; particularly the article in the existing treaty about junks, *A. Matheson* 2647——By the existing treaties, every kind of commercial intercourse between Hong Kong and any port of China, except the five legalized ports, is prohibited, *ib.* 2648——Evidence as to the daily contravention of the treaties by the Chinese government, *ib.* 2691–2694——They do not protect the British subjects in Canton; this is a material variation of the treaty, *ib.* 2694, 2695——This condition of the treaty has been repeatedly urged on the Chinese government; their only answer has been, that we might go on at our own risk and peril, but they would not protect us, *ib.* 2696–2698. 2701, 2702.

With a view to benefiting our trade with China, it would be exceedingly advisable for the British Government to dispatch a mission to China for the purpose of obtaining a modification of the treaty, perfect freedom of intercourse, and the opening of other ports to the northward, *Martin* 3989, 3990——Treaties and tariff under which our commercial arrangements with the Chinese empire are conducted, *Balfour* 4317——There is the American treaty of commerce, and the French one, with slight modifications in the tariffs effected by those nations; nature of these modifications, *ib.* 4317–4323——The treaty, as it has been passed between England and China, is a remarkable instance of success, *ib.* 4407, 4408——Whether the treaty of Nankin is fulfilled in the same degree at Canton as at Shang-hai; complaints which have been made as to the severe restrictions as regards foreigners at Canton, *ib.* 4493–4504——Translation of a grant or treaty of privileges conceded by the Emperor of Japan to the English, A. D. 1613, *App.* 457——Copy of a treaty between the King of Siam and the East Indian Company, *ib.* 458.

*See* also *British Residents in China,* 1. 8. *Chusan. Cumsingmoon. Duties. Hong Kong,* 2. 4. *Junk Trade.*

*Turner, Charles.* (Analysis of his Evidence.)—Deputy-chairman of the East India and China Association of Liverpool, 1080——Member of the house of Sands, Turner & Co., of Liverpool; considers the present position of the trade with China very unsatisfactory,

Report, 1847—*continued.*

*Turner, Charles.* (Analysis of his Evidence)—*continued.*

factory, 1081, 1082——Witness's experience of the trade was between the years 1845 and 1846; 1082. 1084——The business of witness's house is confined almost exclusively to making advances upon manufactured goods exported to China and the East Indies, 1081——The trade is principally a barter trade; if goods are sold for cash they are sold at a very inferior price, 1081, 1082——If the duty on tea were reduced the trade would become a much more extensive and satisfactory one, as regards the export of manufactured goods, 1083–1093——Great variations in the cash price and the barter price of goods, 1094–1096——The general character of the trade is that goods are consigned to the houses in China, and the merchants apply to the Chinamen to buy these goods, with the understanding that tea is to be taken in return, when he has tea to suit the purpose of the merchant; it is taken at the current price of the day, 1097–1100.

The trade is essentially, in the bulk of it, a commission trade, 1098——Where the returns have been made in silk they have paid better than the returns in tea, 1101, 1102——The great disadvantage to commerce is the uncertainty of the value of the article received in exchange, 1103——Way in which the reduction of the duty on tea would have a tendency to remove this disadvantage, 1104——Impracticability of resorting to an *ad-valorem* duty; how far it has already been tried, and result; enumeration of some of the difficulties which would arise under such duty, 1105–1119——A fixed duty is the only thing that can be perfectly satisfactory; the only question is at what rate it shall be fixed, 1120.

*Twankay.* Diminished consumption of Twankay, the lowest class of green tea, *Crawfurd* 2419.

## U.

*United States.* Evidence respecting the quantity of tea consumed in the United States, *Brown* 4716–4736——Copy of a treaty of amity and commerce between his Majesty the King of Siam and the United States of America, concluded 20th March 1833, *App.* 461 —— Imports into the United States from China from 1st July 1845 to the 30th June 1846, *ib.* 508——Exports from the United States to China from 1st July 1845 to 30th June 1846, *ib.* 509.——*See* also *America. Cotton Trade.*

## V.

*Value of Land.* See *Sales of Land.*

## W.

*White, Thomas.* (Analysis of his Evidence.)—Tea and sugar broker at Hull; was formerly a wholesale and retail grocer there, 1432, 1433——The principal points to which witness can speak, from his own experience, would be merely to show from the general consumption per head, that if the duty on tea were lower, there would be a material increase of consumption, 1434, 1435——Paper delivered in elucidating this point, *ib.*——Statement of the revenue, rate of duty, prices and consumption of tea, as compared with the population, at each decimal period from 1801 to 1841, and in 1846; 1434——Statement of consumption, revenue, average rate of duty per pound, and price of tea from 1800 to 1846; 1436——In the agricultural districts the probability is, that the consumption would be greatly increased by a reduction of duty, 1437–1445. 1450–1452. 1459, 1460 ——The increase in the consumption of tea as compared with the depreciation of price has been fully equivalent to that which has taken place in coffee, 1446–1449.

Way in which the low duty on Bohea tea was an injury to the poor instead of a benefit to them, 1453–1455——A fixed duty would be the best; an *ad-valorem* duty would not work at all, 1456–1458——The indisposition of the trade to buy at public sales has very much increased; cause to which this may be attributed, 1461, 1462——There is a generally increasing desire to consume tea amongst the lower classes, 1463–1468—— With respect to the duty before the expiration of the East India Company's charter, the putting-up price was gradually lowered, whilst at the same time the revenue was kept up by the increased consumption, 1469——The importers of tea during the last four years have been considerable losers, 1470–1473——The demand for tea which would be consequent upon a reduction of duty would naturally increase the price if there were not a sufficient supply; otherwise there would be no increase of price, 1474, 1475—— Witness's impression is, that if the duty were reduced to 1*s.* per lb. the consumption would increase 100 per cent. within five years, 1476–1479.

Report, 1847—*continued.*

*Wilkinson, Alfred.* (Analysis of his Evidence.)—Merchant and agent in China; of the firm of Bell & Company; has been in China from the early part of 1835; left there in February 1847; has been at Canton, Shang-hai, and other places; has visited all the ports except Ningpo, 1273–1278——Unsatisfactory and unprofitable state of the China trade as far as regards the port of Canton, 1279, 1280——Witness attributes it to over-trading, from which it will most probably recover itself, 1280——Capacity of the Chinese to supply us with any quantity of tea we may require, 1281–1290——Evidence as to our over-supply of woollen and cotton goods for the Chinese market, especially of cotton goods, 1291–1298——Whether they would take more of our manufactures if we took more tea is doubtful; they do not go together, 1299–1303. 1305, 1306. 1308–1314.

Witness does not look upon the barter as some of the parties who have given evidence before the Committee do, 1304——Explanation as to what witness understands by the barter, 1307 *et seq.*——The barter that has been in China lately has been from over supplies of goods, 1307——The system has been carried to a greater extent during the last three years than formerly, 1315——Account in detail of a barter transaction, 1315–1332. 1334——The principal inconvenience of the barter system is the being forced to take goods sometimes that are not required, 1333——Latterly goods have been taken in exchange for opium; the payment for it formerly was in silver, 1335–1338——Evidence as to the variations in the value of sycee silver, 1339–1346——Particulars as to the supply of tea from Shang-hai, 1347–1350——Statement with reference to the sale of certain lands at Hong Kong by Captain Elliott, 1351–1353.

The country trade at Hong Kong has diminished, 1354——This may be attributed to the proximity of the provincial city, 1355, 1356——Cause of the loss of the junk trade at Hong Kong, 1356–1358——The British merchants at Canton, and in fact all foreigners are in personal danger from the populace; particulars of the riot with which Mr. Compton's case was connected, 1359–1367——The only thing witness can suggest as a protection would be an armed steamer opposite the factories, a place of refuge for the British merchants, 1360. 1376–1380. 1386–1390.

There are no Chinese local regulations as to the mode of carrying on trade at Canton, of which there is any reason to complain, 1368——The English regulations as regards the British consulate there are unnecessary, 1369–1374——As far as piracy is concerned, it is dangerous to go backwards and forwards in the native boats; but this is for the Chinese to put down, 1375——Witness does not attribute the violence and malevolence of the populace to any conduct of the government, 1381——They are anxious to keep peace and quietness, *ib.*——But the weakness of the government is such that they are not able to protect British residents, 1382, 1383. 1385. 1411–1421——In this respect the treaty of Nankin has not been fulfilled by the Chinese government, 1384, 1385.

Respect in which British subjects in China do not enjoy the privileges to which they are entitled by the treaty; they are confined within a small space at Canton, 1391–1393——The government has granted permission to British subjects and other foreigners to go into the city of Canton, but from the feebleness of the government in giving them protection this permission is quite inoperative, 1394–1399——Reasons why the power of the government has decreased since the war; the people have found that the mandarins are nobody, and that the fulminations of the government are of no avail, 1400–1403. 1408, 1409.

In the immediate vicinity of the city of Canton a great deal of piracy now exists, 1404–1406. 1410——How far the government have exercised the power they do possess for the protection of British subjects, 1411–1421——The Chinese are more submissive and peaceable in the north than in the south of China, 1422–1425——Period from which witness dates the beginning of the unfavourable state of the trade between China and England, 1426–1431.

*Wilson, George.* (Analysis of his Evidence.)—Is very familiar with the tea trade as far as respects the working classes, 4292——During the twenty-eight years that he has conducted a large trade amongst the poor in Westminster, he has found that the consumption of tea has varied with the price, 4295–4303——The working classes consume a much larger quantity in proportion to their means than the higher classes; they generally prefer it to coffee, *ib.*——A reduction of price would be of great consequence to the poorer classes, 4296——The reduction of 1*s.* 6*d.* a pound in the price of tea would tend to a great augmentation of the demand, 4304.

Reasons for forming the opinion that the reduction of the duty would give the working classes a much greater reduction than the mere amount of the duty, 4304, 4305. 4309–4312——There has been an increased demand for coffee going on, with an augmented demand for tea, 4306–4308.

*Winch, Henry.* (Analysis of his Evidence.)—Has been connected both with the importation of tea and with the supply of it to dealers throughout the country, for upwards of 20 years, 2916——Explanation of the operation of the present duty on tea, on the returns made by natives of China, that is, on shipments made by them, 2917——Statement handed in, showing the result of various shipments of tea from China on native account

Report, 1847—*continued.*

*Winch, Henry.* (Analysis of his Evidence)—*continued.*

at various periods from May 1844 to February 1847; 2917——Examination upon the result of these shipments, showing that at the rate of exchange existing at the various periods there was in most instances a serious loss upon such shipments, 2918–2926——Witness's experience in the importation of tea has shown him that up to a certain period the trade to China was a profitable one, 2926——It has ceased to be so since the supply of tea to this country has been greater than the consumption could take off; the decline may date from 1843; 2926–2931——The trade can only be rendered profitable again by a reduction of the exports of our manufactures or by an increase in the consumption of tea in this country, 2932——An increase in the consumption can only arise from a reduction in the price, 2933——There is no room for a reduction in the cost price of the article of tea, 2934–2936——Statement of the results of a table which witness has prepared, showing what is the sympathy of consumption with the prices irrespectively of the duty, 2936–2952——In order to increase the consumption of tea very much the reduction of duty should be a liberal one, 2953——A duty of 1*s.* per pound, which would be something like 90 per cent. upon the value, is as much as tea ought to bear, 2953–2954——Impracticability of an *ad-valorem* duty on tea; reasons for forming the opinion that an equal duty on all qualities of tea does not operate as a hardship on the lower classes of the people, 2955–2987. 2992–3019——The system of a mixed duty was tried in 1834 and after 12 months' experience was abandoned, 2988–2991——As low a [illegible] duty as consistently with the interests of the revenue, can be afforded, is the best system of duty, 2992–2996——Reasons for forming the opinion that no very great defalcation would occur to the revenue from a liberal reduction of the duty on tea, 3020–3044——Table delivered in of the comparitive duties upon tea, coffee, cocoa, and sugar, with the view of showing that the duty on tea is very exorbitant when compared with any other article of necessity, 3045–3052.

*Woollen Trade:*

1. *Decline in the Woollen Trade with China; Causes to which this may be attributed.*
2. *Suggestions as to the Means by which the Trade might be revived.*
3. *Competition of Foreign Countries with England in the Manufacture of Woollens, and in the Trade with China.*
4. *Papers laid before the Committee.*

1. *Decline in the Woollen Trade with China; Causes to which this may be attributed:*

Way in which the decrease of the demand in China for our worsted and woollen stuffs may be accounted for, *Robberds* 1611–1619——One cause of the diminution of the demand for woollens has been the increased demand for our cottons, *ib.* 1624–1627——Decrease in the exports of woollens during the last three years, *C. Rawson* 1857——Evidence as to the former and present state of the woollen trade, *Gott* 1884–1890——Decrease in the trade; this decrease may be attributed to the increase in the cotton trade, *ib.* 1895–1897——The trade with China in woollens is not an increasing trade, but it has fluctuated very much, *A. Matheson* 2740——The woollens are too dear to enable us to increase the trade, *ib.* 2741.

The demand for goods for the China market is, in the neighbourhood of Stroud, almost annihilated, *Marling* 4016–4022. 4065——The woollen trade with China was very much larger under the East India Company's monopoly than it is now, *ib.* 4023–4026——For a certain time after the Company's monopoly ceased there was an increase, but it is now only one-third of what it was, *ib.*——A large proportion of the population in the neighbourhood of Stroud are now out of employment, owing to this decline of the trade, *ib.* 4034–4040——Comparison of the woollen trade with China previously to 1844, with the trade since that period, *ib.* 4041–4043.

2. *Suggestions as to the Means by which the Trade might be revived:*

Causes to which witness would look as likely to extend the trade in woollens with China, *Gott* 1904——If greater facilities were given to the reception of what they have to give us in return, the trade would materially increase, *ib.* 1904–1909——If we had stations to the northward they might be advantageous in pushing our trade in woollens with China; in the southern districts the people are clothed in cotton, *Martin* 3983–3985——Woollens have always been sold at a profit in China, and could be so sold now, but the losses are on the returns, *Marling* 4027–4030——Witness would suggest a reduction of the duties on tea as a remedy for this evil, *ib.* 4030–4033——For the sake of the industrious poor, it is desirable to open our trade with China as much as possible, *ib.* 4048——There is no class that would benefit so much as the handloom weavers, *ib.*——Witness sees no limit to the trade if we could get returns for it, *ib.* 4050.

3. *Competition*

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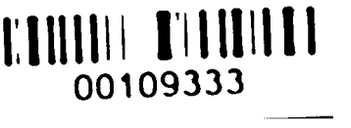
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